



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-94-169
Wednesday
31 August 1994**

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Daily Report

East Asia

FBIS-EAS-94-169

CONTENTS

31 August 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Continued Reports on U.S. Framework Trade Talks	1
Sheet Glass Talks To Start 30 Aug [NIHON KEIZAI SHIMBUN 30 Aug]	1
More on Sheet Glass Talks [KYODO]	1
Tokyo's Proposals on Sheet Glass [KYODO]	2
Partial Deal on Auto Talks Possible [KYODO]	2
Strategy To Hold Successful Talks [NIHON KEIZAI SHIMBUN 30 Aug]	2
Patent Infringement Suit By U.S. Firm Rejected [KYODO]	3
Tokyo Urged To Pay All Expenses for U.S. Forces [MAINICHI SHIMBUN 30 Aug]	3
Tokyo, Washington Hold First Tourism Consultations [KYODO]	4
MPT Following U.S. 'Information Superhighway' Concept [ASAHI SHIMBUN 27 Aug]	4
Zushi Mayor Officially Accepts U.S. Housing Plan [KYODO]	5
EPA Chief Promises Review of Public Works Plan [KYODO]	5
Discussion on Spending To Resume [KYODO]	5
Firms Refuse U.S. Plan on Suspected Bid Rigging [NIHON KEIZAI SHIMBUN 30 Aug]	6
Keidanren To Further Promote Deregulation [NIHON KEIZAI SHIMBUN 28 Aug]	6
Prime Minister's Statement on WWII Issued [KYODO]	6
Text of Initiative on Peace, Friendship, Exchange [KYODO]	8
Plan To Alter Satellite Flight Course Abandoned [KYODO]	9
Existing Problems Described [KYODO]	9
* Nagano Speech Linked to Constitutional Revision [SEKAI Jul]	9
Only 4.8 Percent Increase Seen in 1995 Budget [KYODO]	12
Murayama Said To Fail in Defining Asia Policy [KYODO]	13
APEC Trade Ministers' Meeting Set for Oct [KYODO]	14
International Fiscal Policy Seminar Planned [KYODO]	14
EPA Formulates Basic Future ODA Policy [NIHON KEIZAI SHIMBUN 29 Aug]	14
Comprehensive War Reparations Package Unveiled [KYODO]	14
Russian Academic Discusses Kim Il-song Regime [NIHON KEIZAI SHIMBUN 29 Aug]	15
* DPRK Crisis Management Plan Proposed [SHOKUN Aug]	16
ROK-Japan Forum on 'Sharing' Historical View [KYODO]	23
Tokyo To Send 300 SDF Personnel To Rwanda [KYODO]	24
Taiwan Wants Murayama to Avoid Visiting PRC [KYODO]	24
Tokyo, Paris To Hold Science, Technology Symposium [KYODO]	24
Dumping Charges Against Pakistani Yarn Dropped [KYODO]	25
Japanese Nationals Urged To Leave Algeria [KYODO]	25
Reports Related to Japanese Aid, Grants	25
Egypt: 65 Million Yen [KYODO]	25
Niger: 5 Million Yen [KYODO]	25
Indonesia: Aluminum Project [KYODO]	25
Chile: 1.16 Billion Yen [KYODO]	26
Further Reports on Issues Related to Tax Reform	26
MOF on Coalition Leaders' Remarks [MAINICHI SHIMBUN 30 Aug]	26
Possible Relief for Insurance Premiums [KYODO]	26
Editorial Urges Aggressive Tax Reform [NIHON KEIZAI SHIMBUN 22 Aug]	27
Power Firms Actively Expand Overseas Purchase [MAINICHI SHIMBUN 28 Aug]	28
Nihon Plast Company To Boost Airbag Production [NIKKEI SANGYO SHIMBUN 14 Aug]	28
Leaders in Personal Handphone System Viewed [NIHON KEIZAI SHIMBUN 17 Aug]	29
Revitalization of Regional Industries Urged [KYODO]	29
Rice Crop Index Shows 'Rather Good' Harvest [KYODO]	30

Reportage Concerning Employment Situation	30
MITI Chief Concerned [KYODO]	30
'Tough Situation' To Continue [KYODO]	30
Jobless Rate Highest in 7 Years [KYODO]	31
Further on Increase in Jobless Rate [KYODO]	32
Business Slump Reportedly Hitting Bottom [KYODO]	32
EPA Reports Drop in Retail Prices in Aug [KYODO]	32
Tokyo-Area Consumer Prices Decrease in Aug [KYODO]	32
Preliminary MITI Report Examines Rising Sales [KYODO]	33
Capital Spending Said Sluggish [KYODO]	33
Industrial Output Falls [KYODO]	33
Construction Orders Surging [KYODO]	34

North Korea

Foreign Party Leaders on U.S. Talks Statement [KCNA]	34
Foreign Groups Support U.S. Talks Statement [KCNA]	35
Norway Urged To Support U.S. Talks Statement [KCNA]	35
Asia-Pacific Group Official Meets U.S. Delegates [KCNA]	35
Military Sources on ROK 'Provocations' in DMZ [KCNA]	35
PRC Media on North Statement on Ulchi Exercise [Pyongyang Radio]	36
ROK's Ammunition Redistribution Drill Denounced [Pyongyang Radio]	36
Hanminjon Article on Truth, Vitality of Chuche [KCNA]	36
Society in Seoul Urges Democratic Government [KCNA]	37
Kimilsongist League Activities in ROK Reported [KCNA]	37
Foreign Groups Denounce ROK's 'Inhumane Acts' [KCNA]	37
Hanminjon Pyongyang Mission Meets Italian Group [KCNA]	38
ROK Group Demands Compensation From Japan [KCNA]	38
Japanese Reports on UN Membership Condemned [KCNA]	38
PRC Delegation of Young Pioneers Corps Arrives [KCNA]	38
Kang Song-san Congratulates Slovak Counterpart [Pyongyang Radio]	39
Korean, Indian Union Groups Issue Statement [KCNA]	39
Vice President Pak Leads Delegation to Libya [Pyongyang Radio]	39
Vice President Meets Italian Movement Group [KCNA]	39
WPK Sends Message to Mexico's PRI on Victory [KCNA]	39
Argentine Parties' Statement Supports North [KCNA]	40
Article Marks Malaysian Independence Day 31 Aug [KCNA]	40
People's Committee Greets Foreign Leaders	40
Greets Malaysian Sultan [KCNA]	40
Greets Libyan Head of State [KCNA]	40
Greets Kyrgyz Republic President [KCNA]	40
Greets Trinidadian President [KCNA]	41
Talks Held With Ugandan Economic Delegation [KCNA]	41
Foreign Media Praise 'Greatness' of Kim Chong-il [KCNA]	41
Guyanese Groups Deliver Gifts for Kim Chong-il [KCNA]	41
Officials Attend Meeting on Kim Chong-il's Work [KCNA]	42
Kim Chong-il's Leadership, 'Genius' Stressed [KCNA]	42
Belgian Party Paper, Leader Praise Both Kims [Pyongyang Radio]	43
International Friendship Exhibition Described [KCNA]	43
Cambodian Embassy Officials Visit Kim's Statue [KCNA]	44
Italian Magazine Publishes Issue on Kim Il-song [KCNA]	44
Kim Il-song's Contribution to Reunification Noted [KCNA]	44
Twenty-One New Colleges Reportedly Built [KCNA]	45
Dialogue on Revolutionary Cause's 'Essence' [Pyongyang Radio]	45

South Korea

U.S.-DPRK Contact Differs on Experts Meeting [Seoul Radio]	47
Agreement 'in Principle' to Site [YONHAP]	47
'Historic Significance' Noted [Seoul TV]	48
Pace of U.S.-North Rapprochement Questioned [YONHAP]	48
Senior Official To Go to U.S. [YONHAP]	48

Minister Explains Light-Water Reactor Promotion	[YONHAP]	49
'Confusion' Over Nuclear Policy Issue Condemned	[CHOSON ILBO 27 Aug]	49
North's Envoy to Russia Remarks on Inspections	[YONHAP]	50
North Sends Government 'Special Envoy' to China	[YONHAP]	50
Reasons for Action Analyzed	[YONHAP]	50
Court Rules Against Korean-Chinese on Residency	[YONHAP]	51
Han Sung-chu on Japan's Role in North's Opening	[YONHAP]	51
Government Studies Measures for DPRK Refugees	[CHUNGANG ILBO 31 Aug]	52
Appointments of Kim Chong-il's Family Opposed	[CHOSON ILBO 31 Aug]	52
* Korean Peninsula Prospects After Kim Il-song	[TONG-A ILBO 11-16 Jul]	52
* 'Balanced', 'Rational' Response to North Urged		59
* Government Lacks Information	[HANGYORE SINMUN 17 Jun]	59
* Kim Kun-tae's Dissident Movement	[MAL Jun]	60
More on Imported U.S. Frozen Meat Controversy	[YONHAP]	64
SCM's Policy Review Meeting Slated for 2-3 Sep	[YONHAP]	64
Seoul Reacts to Japanese Announcement on Past	[YONHAP]	64
Group Plans To List Former Pro-Japanese Figures	[YONHAP]	65
Japan 'Expected' To Support Kim for WTO Post	[YONHAP]	65
DLP's Kim Yun-hwan Returns From Japan Visit	[YONHAP]	65
Prime Minister Departs for SRV, Singapore	[YONHAP]	66
SRV Views on Trade, North Nuclear Issue Noted	[THE KOREA HERALD 31 Aug]	66
Seoul, Moscow Plan FEZ Industrial Complex	[THE KOREA HERALD 30 Aug]	67
Halla Plans PRC Construction Equipment Plant	[THE KOREA HERALD 30 Aug]	67
Government, New Zealand Waive Visa Requirement	[YONHAP]	68
Implications of North's Macao Firm Burglary Noted	[CHUNGANG ILBO 28 Aug]	68
Seoul To Support Technology Transfer to Malaysia	[YONHAP]	68
Pusan Establishes Ties With Indonesian City	[YONHAP]	68
Bank of Korea: Value of Won Currency Increasing	[YONHAP]	69
Transfer of Technology to South Asia Planned	[THE KOREA TIMES 28 Aug]	69
Minister Embarks on Tour To Promote Trade 1 Sep	[YONHAP]	69
Agriculture Ministry Plans To Expand Beef Imports	[THE KOREA TIMES 31 Aug]	69
Parties Agree on Assembly Interim Schedule	[YONHAP]	70
Early Merger of Opposition Parties 'in Doubt'	[YONHAP]	70
National Assembly Speaker Appoints Secretary	[YONHAP]	71
Plans To Revise Administrative Districts Noted	[YONHAP]	71
Request for Arrest Warrants for Professors Denied	[YONHAP]	71
President: Seoul To Stay Out of Labor Disputes	[THE KOREA HERALD 30 Aug]	72
Police Agency Launches Internal Audit Inspection	[THE KOREA TIMES 31 Aug]	72
Former Presidents Fail To Answer Questions	[YONHAP]	73
Development of 256 Megabit D-RAM Chip Noted	[YONHAP]	73

SOUTHEAST ASIA

Burma

Singapore Trade Minister Leaves Rangoon	[Rangoon Radio]	75
Industrial Delegation Returns From ROK, PRC	[Rangoon Radio]	75
Than Shwe Speaks on Development Association	[Rangoon Radio]	75
Mon Separatist Leaders Suspend SLORC Talks	[THE NATION 30 Aug]	76
Soldier Surrenders in Southeast Command Area	[Rangoon Radio]	76

Brunei, Malaysia & Singapore

Malaysia

Deputy Prime Minister 'Satisfied' With PRC Trip	[Kuala Lumpur International]	76
Commentary on Efforts To Enhance PRC Trade	[Kuala Lumpur International]	76
* Malaysia To Be 1st Islamic 'Developed' Country	[BERITA HARIAN 25 Jul]	77

Singapore

Counter-Money Laundering Measures Issued [THE STRAITS TIMES 25 Aug]	78
Daily Previews Two Issues at Cairo ICPD Meeting [BUSINESS TIMES 30 Aug]	78

Cambodia

Government To Attack Khmer Rouge in Phnum Voar [CAMBODIA TIMES 28 Aug-3 Sep]	79
Defense Minister Tie Banh on Phnum Voar Attack [REAKSMEI KAMPUCHEA 30 Aug]	80
Government, KR Resume Hostage Negotiations [AFP]	80
Defense Minister, General Confirm Talks [AFP]	81
Sihanouk's Wife Asks KR To Free Hostages [AKP]	81
PGNUNS 'Cabinet' Issues Communique [Radio PGNUNS]	81
Ieng Muli Calls Foreign Media Reports 'False' [Phnom Penh Radio]	82
Commentary Views Enforcement of Immigration Law [Phnom Penh Radio]	83
Ranariddh Comments on Eliminating Corruption [REAKSMEI KAMPUCHEA 29-30 Aug]	83
Government Cancels 3 Finance Ministry Declarations [AKP]	84
Leaders' Meeting with King in Beijing Reviewed [REAKSMEI KAMPUCHEA 28 Aug]	84
Chea Sim's Visit to Beijing Detailed [REAKSMEI KAMPUCHEA 31 Aug]	85
Daily Views U.S. Military Aid Cut to Thailand [REAKSMEI KAMPUCHEA 30 Aug]	85

Indonesia

Military To Supervise Cease-Fire in Philippines [Jakarta Radio]	86
Minister Denies Plan To Meet E. Timor Dissidents [Jakarta Radio]	86
Alatas Welcomes DPRK Nuclear Issue Developments [KOMPAS 12 Aug]	86
Suharto, Australia's Keating Discuss APEC Summit [Jakarta Radio]	87
President Suharto Opens Development Party Congress [Jakarta Radio]	87
State Minister, President Discuss Social Issues [Jakarta Radio]	87
Al Arqam Teachings Banned in 9 Provinces [Jakarta Radio]	87

Philippines

Government, RAM Sign Electoral Reform Agreement [Quezon City TV]	88
Korean Engineers Safe After Fleeing Gun Battle [THE KOREA TIMES 28 Aug]	88
Foreign Investment Surges in Jan-May Period [BUSINESS WORLD 24 Aug]	88

Thailand

Cambodia's Chakkrapong Reportedly Goes to France [THE NATION 30 Aug]	89
Denies Joining 'New Rebel Force' [THE NATION 31 Aug]	90
Official Admits Police 'Abuse' Human Rights [THE NATION 30 Aug]	91
*Specialists Discuss Burma, Khmer Rouge Issues	91
*Sukhumphan on Prasong 'Narrowness' [SIAM RAT SAPDA WICHAN, 31 Jul-6 Aug]	91
*Khian Wants KR in Government [SIAM RAT SAPDA WICHAN 31 Jul-6 Aug]	92
* Mekong Unit Head on Security, Budget Demarcation [LAK THAI 9-15 Jul]	93
* Commerce Sources Describe Barter Trade Deals [DAILY NEWS 7 Jul]	94

Vietnam

Report on President Entering Cambodia Refuted [VNA]	95
Leaders Concerned Over Cambodian Immigration Law [Hanoi Radio]	95
Prime Ministers Yi, Vo Hold Talks on Cooperation [YONHAP]	95
Vo Van Kiet Welcomes, Talks With ROK Premier [Hanoi Radio]	96
Party, State Leaders Receive ROK Prime Minister [VNA]	96
Vice Premier Concludes Visit to Hungary [VNA]	97
Vu Oanh Addresses Mass Mobilization Course [Hanoi Radio]	97
* Land, Border Issues Discussed [TAP CHI QUOC PHONG TOAN DAN Jun]	98

AUSTRALASIA

Australia

Keating Congratulates PNG's Chan on Election [Melbourne International]	101
Evans Welcomes Bougainville Peace Process [Melbourne International]	101
Evans: ABC Report on Malaysia Links 'Independent' [Melbourne International]	101
Joint Economic Commission With Iran Concludes [Tehran IRNA]	101
Martin Meets Iran's Kalantari [Tehran IRNA]	101

Marshall Islands

More U.S. Compensation for Nuclear Tests Sought [AFP]	102
---	-----

Papua New Guinea

Julius Chan Elected New Prime Minister [Melbourne International]	102
Chan Forms Caretaker Cabinet [Melbourne International]	102
Chan Takes Ministerial Control of Army [Melbourne International]	103
Bougainville Peace 'Top Priority' [Melbourne International]	103
Haiveta on Expatriate Consultants [Melbourne International]	103

Japan

Continued Reports on U.S. Framework Trade Talks

Sheet Glass Talks To Start 30 Aug

OW3008144494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Aug 94 Morning Edition p 5

[Text] The two-day session of the Japan-U.S. framework talks on sheet glass is scheduled to open at the Ministry of International Trade and Industry [MITI] starting on 30 August. The United States has criticized the Japanese sheet glass market as closed to foreign makers. In refuting this criticism, the MITI intends to give a briefing on the current situation in the sheet glass trade, including the ratio of Japanese imports. Difficulties, therefore, are expected at the talks.

Sheet glass trade is one of five priority sectors added to the three top priority sectors, including trade in auto and auto parts. The United States claims that the Japanese sheet glass market is monopolistic and closed to foreign makers. For Japan to increase its import of foreign-made sheet glass, the United States demands that wholesalers be asked to work out plans for imports; that both MITI and the Construction Ministry encourage wholesalers to procure more foreign-made product; and that the Fair Trade Commission should study the actual trade situation.

More on Sheet Glass Talks

OW3108080794 Tokyo KYODO in English 0756 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japan and the United States agreed Wednesday [31 Aug] to continue talks on ways to improve foreign access to Japan's sheet glass market, Japanese officials said.

The two countries ended two days of working-level sessions in Tokyo on sheet glass trade, one of the expanded priority areas under the trade "framework" talks.

Wednesday's meeting focused on U.S. assessment of the latest Japanese proposal designed to increase its purchases of U.S.-made sheet glass, said the officials at the Ministry of International Trade and Industry.

But the officials did not reveal the contents of discussion, noting both parties agreed to keep quiet.

Tokyo and Washington agreed to meet again, probably in Washington in September, the officials said.

The Japanese proposal, submitted to the U.S. on Tuesday, is believed to include Tokyo's offer to show the scope of government support for the opening of the domestic glass market and data to prove that the market is open to imports.

The MITI officials said the proposal would be instrumental in improving American access to the Japanese market.

The proposal was in response to U.S. demands during the previous session in late July.

In the July meeting, Washington called for specific import plans to be formulated by Japanese sheet glass wholesalers.

The U.S. also sought an investigation of Japan's glass market by the Fair Trade Commission (FTC).

On the latter request, MITI sources repeated Wednesday that the FTC survey found no evidence of Japanese glass makers engaging in business practices that violate the Antimonopoly Law.

The survey also clarified that Japanese makers have even removed practices that cause no problem under the law but may have room for improvement from a viewpoint of promoting competition, the sources said, citing the abolition of rebates as an example.

The MITI officials said Japan will do its utmost for an early settlement of glass trade talks with the U.S.

But it has not set any specific deadline for the talks, the officials said, downplaying the U.S.-imposed Sept. 30 deadline for launching sanction procedures under the Super 301 U.S. trade provision.

Japan has repeatedly denied the U.S. claim that its glass market is closed, noting the product's import ratio is 12.8 percent in the country in 1991 against 4.9 percent in the U.S.

Tokyo has also insisted the Japanese sheet glass industry scored deficits both in trade with the U.S. and global trade in 1993.

Sheet glass trade is a new addition to the three original priority sectors of the framework talks—government procurement, auto and auto parts trade, and insurance.

The Japanese proposal, submitted to the U.S. on Tuesday, is believed to include Tokyo's offer to show the scope of government support for the opening of the domestic glass market and data to prove that the market is open to imports.

The MITI officials said the proposal would be instrumental in improving American access to the Japanese market.

The proposal was in response to U.S. demands during the previous session in late July.

In the July meeting, Washington called for specific import plans to be formulated by Japanese sheet glass wholesalers.

The U.S. also sought an investigation of Japan's glass market by the Fair Trade Commission (FTC).

On the latter request, MITI sources repeated Wednesday that the FTC survey found no evidence of Japanese glass makers engaging in business practices that violate the Antimonopoly Law.

The survey also clarified that Japanese makers have even removed practices that cause no problem under the law but may have room for improvement from a viewpoint of promoting competition, the sources said, citing the abolition of rebates as an example.

The MITI officials said Japan will do its utmost for an early settlement of glass trade talks with the U.S.

But it has not set any specific deadline for the talks, the officials said, downplaying the U.S.-imposed Sept. 30 deadline for launching sanction procedures under the Super 301 U.S. trade provision.

Japan has repeatedly denied the U.S. claim that its glass market is closed, noting the product's import ratio is 12.8 percent in the country in 1991 against 4.9 percent in the U.S.

Tokyo has also insisted the Japanese sheet glass industry scored deficits both in trade with the U.S. and global trade in 1993.

Sheet glass trade is a new addition to the three original priority sectors of the framework talks—government procurement, auto and auto parts trade, and insurance.

Tokyo's Proposals on Sheet Glass

OW3008124594 Tokyo KYODO in English 1235 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Japan submitted new proposals on sheet glass trade with the United States at resumed bilateral framework talks on Tuesday, Japanese officials said.

The officials said the proposals included Japan's offer to show the scope of government support for the opening of the domestic glass market and data to prove that the market is open to imports.

The U.S. withheld an immediate response pending review of the proposals, they said.

The proposals were in response to a U.S. demand made at the previous session held in late July, calling for an investigation of the glass market by the Fair Trade Commission, the officials said. They said, however, that the U.S. demand was met when the commission released a report earlier this month on a survey of trading practices in the glass market and other industrial sectors.

The two-day working-level session began Tuesday at the Ministry of International Trade and Industry.

Partial Deal on Auto Talks Possible

OW3008235694 Tokyo KYODO in English 2346 GMT 30 Aug 94

[Text] Tokyo, Aug. 31 KYODO—A partial agreement could be struck in Japan's negotiations with the United

States on auto and auto parts trade, a senior Ministry of International Trade and Industry [MITI] official said Tuesday [30 August] night.

The official said it will be difficult to produce full agreement by the end of September, the deadline for U.S. sanctions, in the auto talks, one of the priority areas in the bilateral "framework" trade negotiations.

He said, however, "a partial agreement is possible," adding that Japan is ready to further ease the regulation concerning safety checks on automobiles.

The official, who asked not to be named, also reiterated the Japanese opposition to "objective criteria," which the U.S. has been seeking to measure the openness of the Japanese market.

Strategy To Hold Successful Talks

OW3108050994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Aug 94 Morning Edition p 2

[Editorial: "Japan and the United States Must Stack Up 'Small Agreements'"]

[Text] The Japan-U.S. economic framework talks look like a thorn in the Japan-U.S. relations. While relations of mutual dependence are being furthered between Japanese and U.S. corporations, what can be seen in negotiations on such areas as the automobiles are only stumbling blocks. If it goes on as it is, observers think, the United States' proceeding with steps of imposing sanctions under the 301 section of the U.S. Omnibus Trade Act at the end of September will become unavoidable.

What is important now for Japan and the United States to do is to return to the basic position of mutual cooperation, and to the patient stand of negotiating and stacking up "small agreements."

The ongoing economic framework talks cover an extensive range of areas including the three priority areas of autos and auto parts, insurance service, and government procurement—the areas which are experiencing rough sailing—as well as areas of macroeconomics and cooperation. So far, agreements have been reached on such global cooperation areas as environment, population, and AIDS. Negotiations on intellectual property rights have also been concluded, and the United States has agreed to make public the contents of patent applications pending approval.

Negotiations concerning ways of promoting exports and competitiveness for the United States are nearing an agreement, too. Even in the priority areas, some progress has been made with Japan agreeing to assure transparency of the administrative process. The government procurement, essentially, is an area which lies within government reach, and should be able to be dealt with as such. It is not an area in which negotiations should be allowed to drag on needlessly to debate what the proper

expression of objective criteria ought to be. Disputes over rhetorics benefit neither Japan nor the United States.

Sanctions under the clause on government procurement in the U.S. Trade Act will become effective at the end of September. The day is also the deadline for taking steps under the Super 301 section. With the mid-term election coming in November, the Clinton administration is expected to take toughest possible position on Japan.

When the framework talks broke down in February, President Clinton said, "It is better not to have any agreement than to have an agreement which lacks in substance." But the governments of the two countries must not ignore small agreements. The rigid position of insisting that unless all the priority areas, including automobiles, are resolved in one package can cause triple falls—falls in the dollar value, stock prices, and bond prices—in the U.S. market.

In the automobile area which is the major point of contention, there remain big differences of view between Japan and the United States. While the United States demands that the number of foreign-vehicle-handling auto dealers in Japan be specified, Japan rejects that demand, saying that will lead to setting a numerical target.

It is impossible for any government to intervene in the auto market or for the government to make a promise on results of such intervention. The market can be run only by the private-sector businesses and consumers. If no further progress can be made in that area, then there will be no choice but to let the industries of the two countries talk with each other and have the consumers pass on their judgment.

About 60 percent of Japan's exports to the United States are either capital goods or parts and components. As evidenced by such fact, the mutual relationship of dependence between the businesses of the two countries is growing daily. The businesses of Japan and the United States are in "a relationship to which they cannot say no." The Japanese and U.S. Governments must not impede this relationship by fouling up the framework talks.

Even when it turns out that the auto issue fails to be resolved and steps under the Super 301 section are initiated, it should not be taken in an exaggerated way. Trade disputes must be handled in a calm manner pursuant to rules of games. The World Trade Organization (WTO) will be activated in January next year. Japan should seek to have disputes resolved not directly through bilateral talks but through such multilateral arena.

Patent Infringement Suit By U.S. Firm Rejected

OW3108121994 Tokyo KYODO in English 1152 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—The Tokyo District Court on Wednesday [31 Aug] ruled that Fujitsu Ltd. has

not infringed the patent of Texas Instruments (TI) of the United States in manufacturing microchips.

The court also rejected TI's separate call for a preliminary injunction against Fujitsu's production of the concerned chips.

While Fujitsu's top officials expressed satisfaction, the Japanese office of TI immediately issued a press release saying it will appeal the decision.

The court dispute began July 19, 1991, when the major Japanese computer maker filed suit against TI, seeking a court declaration that it was not infringing TI's "275 Kilby Patent" in microchips production.

On the same day, TI filed a preliminary injunction request to halt Fujitsu's production of the concerned chips.

Fujitsu's products in the dispute included a 1-megabit dynamic random access memory (DRAM) chip and a 32-kilobit electronic programmable read-only memory (EPROM). TI was seeking royalties from the Japanese firm.

The patent is on technologies integrating electronic circuit elements in a single piece of microchip for transistors and condensers.

While some patents among the so-called Kilby patents have expired, the 275 patent is in effect until Nov. 27, 2001. Since its approval in Japan in 1989, many Japanese semiconductor makers have paid royalties to TI.

Although Fujitsu and TI signed a broad-based cross-licensing accord in 1991, Fujitsu was adamant about disputing the patent.

Michio Naruto, senior managing director at Fujitsu, said, "Fujitsu hopes the court's ruling will serve as a guideline for sound prosperity in the entire industry."

Meanwhile, TI was disappointed in the ruling because the patent has been recognized around the world, Richard Agnich, TI senior vice president, said in a statement.

"The decision by the court calls into question the availability of intellectual property protection in Japan," he said.

Tokyo Urged To Pay All Expenses for U.S. Forces

OW3108054894 Tokyo MAINICHI SHIMBUN in Japanese 30 Aug 94 Morning Edition p 2

[Text] On 29 August, former coalition parties' policy board secretaries [seisaku kanji] and team chairmen [zacho] in charge of government ministries and agencies held a joint meeting, and decided on major points to be covered in the budget demands for fiscal 1995. Subsequently, a request on them was presented to Chief Cabinet Secretary Kozo Igarashi.

The request referred to the fact that the growth rate of defense expenditures is kept down to 0.9 percent, and criticized it, saying: "Neither mid-term defense buildup plan should be changed nor defense budget should be reduced so easily—without reaching a conclusion on what the national defense capabilities in the future should be." Regarding expenses for stationing the U.S. Forces in Japan [USFJ], it insisted, "The stationing of the forces constitutes the core of the Japan-U.S. security system; the government should shoulder all expenses."

Tokyo, Washington Hold First Tourism Consultations

OW3008142294 Tokyo KYODO in English 1305 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Japan and the United States held their first consultations on tourism in Tokyo on Tuesday [30 Aug] to study ways to promote tours between the two countries.

Attending the session were representatives of tourist agencies and government officials on tourism from the countries.

The two sides discussed ways to achieve the common goal of doubling the number of tourists visiting each country to 8 million annually by the year 2000, officials said.

They said the attendants decided to set up six subcommittees to study ways to promote tourism, including the provision of information on crimes in the U.S. to Japan and the training of American workers in the tourist industry.

Subcommittee discussions will cover measures to correct the imbalance in the numbers of tourists visiting each other's country, they said.

Japanese tourists visiting the U.S. total about 3.5 million annually while 500,000 Americans visit Japan.

The next session will be held in Hawaii in November.

MPT Following U.S. 'Information Superhighway' Concept

OW2908233194 Tokyo ASAHI SHIMBUN in Japanese 27 Aug 94 Morning Edition p 1

[Text] In their budget requests for FY 1995, government offices, including the Ministry of Posts and Telecommunications [MPT], the Ministry of International Trade and Industry [MITI], and the Ministry of Construction [MOC], have all placed emphasis on programs to improve the information infrastructure using computer networks. These programs represent an attempt by the Japanese Government to catch up with the "information superhighway concept" proposed by U.S. Vice President Al Gore. However, because of the absence of an unified policy, many of these programs are much alike. This has caused disputes among government offices because the

programs concern their rights and interests. There is a great difference between Japan and the United States in the methods of allocating budgets. The latter distributes its budget based on a unified policy. Attention is focused on how the Ministry of Finance will coordinate the interests of each government office in the revision of their budget requests.

In its budget request, the MPT has demanded four projects (worth 2.8 billion yen [Y] in total). They include a "municipality information network" project to connect libraries, schools, and hospitals in six or seven selected municipalities with fiber optics with the aim of studying the effective use of advanced communications networks. This plan resembles the project proposed by MITI (which is demanding Y800 million for it) to provide municipalities with subsidies for expenses to establish information networks.

The MPT has jurisdiction over "communications" matters, while MITI has control over "computer" issues. However, in a multimedia society with advanced information networks, it is impossible to separate "communications" and "computer" matters. In consideration of technological progress and financial conditions, the MPT and MITI should coordinate their budget requests.

However, a senior MPT official said: "We have not had talks with MITI to coordinate our budget requests. The two offices are not close enough to have such talks." He thus admitted that the coordination of their budget requests had not been made. A senior MITI official also said: "As long as there is no unified policy within the government on the improvement of the information infrastructure, we will just continue to propose what is possible."

An "information highway project" proposed by the MOC to lay fiber optics in common cable boxes (C.C. Box), which are used for underground cables, also resembles MPT's plan to install fiber optics information networks.

In the medical sector, MITI has launched a project to develop a system of diagnosing patients in remote hospitals by using a clear-image transmitting device. On the other hand, the Ministry of Health and Welfare has proposed a (Y570-million) project to improve a system that helps exchange information on kidney disease patients. These two projects are alike in that both are designed to build up medical networks.

The system of promoting information and communications programs in the United States is greatly different from that in Japan. There is an organization in the United States established to carry out a national information infrastructure (NII) plan. The commerce secretary serves as chairman of this organization and the National Telecommunications and Information Agency (NTIA) functions as its executive office. Under this organization are three committees, including the Telecommunications Policy Council. The NII plan has been

promoted by these organizations to establish advanced communications networks by 2015.

Meanwhile, on 2 August, Japan inaugurated the "Advanced Information and Telecommunications Headquarters," which is headed by Prime Minister Tomiichi Murayama. The headquarters advertises itself as a Japanese-version NII-plan promotion organization, but it has not even held its first meeting.

Zushi Mayor Officially Accepts U.S. Housing Plan

*OW3108132794 Tokyo KYODO in English 1312 GMT
31 Aug 94*

[Text] Yokohama, Aug. 31 KYODO—Zushi Mayor Mitsuyo Sawa expressed official acceptance to the Defense Facilities Administration Agency on Wednesday [31 Aug] of a housing complex for U.S. Navy personnel be built in the city, south of Tokyo.

Sawa announced the city's stance in talks with Noboru Hoshuyama, the agency's director general, and both sides agreed to begin negotiations at a working level to resolve some conditional matters, officials said.

Their meeting, mediated by Kanagawa Gov. Kazuji Nagasu at a Yokohama hotel, was the first such talks among the three parties concerned since 1987.

Following the agreement between Zushi and the agency, the decade-old issue is likely to be settled within this year.

As conditions of acceptance, however, Sawa proposed some points such as enlarging a green tract of land by making the complex higher and returning the site when the U.S. Navy does not need the housing in the future.

In his reply, Hoshuyama told Sawa the agency wants to deal with her requests sincerely through future talks.

Local residents have been campaigning against the project since August 1982, when 290 hectares of the old Ikego ammunition dump were listed by the agency as a possible site for construction of U.S. Military housing.

The government plans to build a nine-story apartment complex and seven two-story apartment blocks for families assigned to the U.S. naval base in Yokosuka.

Sawa, who was elected mayor in November 1992, ran on a platform opposing the government's aim to build on an ecological preserve in Zushi.

But she later reversed her stance, saying she will accept the scheme but will resign over the issue.

EPA Chief Promises Review of Public Works Plan

*OW3008040294 Tokyo KYODO in English 0339 GMT
30 Aug 94*

[Text] Tokyo, Aug. 30 KYODO—An economic planning chief on Tuesday [30 August] said his group would

actively review and expand the nation's public works basic plan, as part of efforts to seek domestic demand-driven economic recovery.

The basic plan calls for spending 430 trillion yen on public works projects over 10 years from fiscal 1991.

"We will soon resume our study group for improvement of social fundamentals to work out as many measures as possible, taking account of ongoing tax reform discussions," Economic Planning Agency [EPA] Director General Masahiko Komura said at a press conference after a regular cabinet meeting.

Komura said he expects the group, a private advisory body to the agency's Planning Bureau director general, to work vigorously to find every possible measure without waiting for the result of debates on tax reform to determine financial sources.

As examples of such measures, Komura cited balancing the financial burden of property purchases among generations by issuing construction bonds, and reviewing priorities in public works spending.

In this regard, Finance Minister Masayoshi Takemura said at a separate press conference that the issue of financial sources should be considered carefully when reviewing public works planning.

Komura said the review will prepare prompt decisions on the total amount and contents of the public works plan once the financial sources issue is settled.

Discussion on Spending To Resume

*OW3008142394 Tokyo KYODO in English 1300 GMT
30 Aug 94*

[Text] Tokyo, Aug. 30 KYODO—A private advisory group of the Economic Planning Agency will resume discussions next Monday [5 Sep] on the country's long-term public works spending program, agency officials said Tuesday.

The officials said the resumption will be in keeping with a government plan to review the quality and magnitude of the 10-year program.

The former coalition cabinets planned to replace the existing program with a new 10-year program starting in fiscal 1995 with outlays increased to 600 trillion yen.

The present plan, which began in fiscal 1991, projected expenditures totalling 430 trillion yen over a 10-year period to fiscal 2000.

Prime Minister Tomiichi Murayama pledged at the July summit in Naples, Italy, of the Group of Seven industrialized nations that his government will review both the quality and size of the program.

The officials said the panel's discussions will be focused on priority areas such as living and cultural environments in view of a delay in proposed tax reforms that would ensure funding of the program.

Firms Refuse U.S. Plan on Suspected Bid Rigging*OW3108130594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Aug 94 Morning Edition p 11*

[Text] The U.S. Government has demanded about 1.1 billion yen in compensation from 70 Japanese companies for losses resulting from their suspected involvement in bid-rigging for construction projects at a U.S. military base in Atsugi, Kanagawa Prefecture. However, it was revealed on 29 August that Maeda Construction Co. and Penta-Ocean Construction Co. had rejected a U.S. compromise proposal.

Tekken Construction Co., Toyo Construction Co., and other companies concerned are also likely to tell the United States of their refusal over the next few days. Since several of the general contractors concerned have clearly shown their intention to resist the U.S. claim, the prospect of the United States filing a lawsuit against them as early as mid-September becomes strong.

Maeda Construction Co., which is the head company of the Japan Federation of Construction Contractors (Nikkenren, chaired by Kenji Maeda) showed its intention to completely reject the U.S. demand, saying: "If we accept the proposal it means we admit our involvement in bid-rigging."

Referring to the fact that the Fair Trade Committee has not found any evidence of bid-rigging in construction projects at Atsugi base, Penta-Ocean Construction Co. explained the reason for its refusal: "If we pay money without good reason, there is the possibility that our stockholders will bring a representative lawsuit."

Tokyu Construction Co. also showed its intention to refuse, saying: "There is no reason to pay (compensation)." According to its corporation lawyer, Daiho Construction Co. takes the view that "compromise is unlikely at this point."

Nishimatsu Construction Co.—which wants to see the criteria for deciding on the amount of compensation and the evidence of bid-rigging—intends to watch developments in the case until the "United States meets our requests."

Ohbayashi Corporation, which was presented with the compromise plan in the middle of last week, said: "We do not remember any deadline for a reply and we are still studying what action we should take."

The U.S. Government plans to bring lawsuits in Japan as early as mid-September against those companies which have made known their refusal to accept the compromise offer. However, it has hinted at the possibility of dealing with each company separately, saying: "We have not decided yet whether to file cases against all the companies at the same time. There may be ways other than instituting legal proceedings." The United States also implied there was the "possibility of bringing legal suits in the United States" against any firms which have subsidiary companies there.

Keidanren To Further Promote Deregulation*OW3008000494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Aug 94 Morning Edition p 3*

[Text] The Federation of Economic Organizations of Japan [Keidanren] plans to strengthen its moves toward promoting deregulation. Keidanren plans to set up a working panel within the Committee on Resources and Energy and have the panel members discuss deregulation problems in the field of petroleum beginning 2 September. In addition, Keidanren will set up a council on administrative reform as an organization designed to support the government's efforts to work out a five-year deregulation plan.

Keidanren will set up the working panel within the Committee on Resources and Energy (chairman: Furukawa Electric Co. Chairman Etsuji Kusakabe) in response to the government's recent decision to annul the interim law for import of specific petroleum products in 1996. Discussions will then be made at the panel on how regulations on petroleum-related business should be. The panel members will not only study future petroleum storage systems after petroleum import is liberalized and how quality control should be maintained, but will also come up with a concrete deregulation plan including a lift of the ban on self-service fueling at gas stations and measures to promote efficiency of distribution system for petroleum products.

The working panel will be led by Tokyo Electric Power Co. Managing Director Minami. Keidanren plans to choose about 10 other members from the petroleum industries and other business circles such as auto and steel industries, and trading houses.

Keidanren plans to work out a concrete deregulation proposal, hopefully by the end of November, after coordinating opinions between the petroleum industry, whose business is controlled by regulations, and consumers (companies).

The Administrative Reform Council will be placed under the Committee for Promoting Administrative Reform (with Daiei President Nakauchi as chairman). It has been decided that Toyota Motor Vice President Okuda will serve as a chairman of the council. Keidanren is now calling for major companies' participation in the council. Liberal Democratic Party [LDP] members concerned with deregulation affairs will be invited to the first meeting on 7 September, when discussions will be held on the issue of administrative reform placing emphasis on deregulations.

Prime Minister's Statement on WWII Issued*OW3108112494 Tokyo KYODO in English 1059 GMT 31 Aug 94*

[Text] Tokyo, Aug. 31 KYODO—The following is the full text of Prime Minister Tomiichi Murayama's statement issued Wednesday [31 Aug] prior to next year's 50th anniversary of the end of World War II.

Next year will mark the 50th anniversary of the end of the war. With the anniversary approaching, I visited the Republic of Korea (South Korea) in July this year, and I have just completed a tour of southeast Asian countries. Taking this opportunity, I would like to say a few words of explanation on the basic thinking behind Japanese external policy to make the historic anniversary truly significant.

Japan's actions in a certain period of the past not only claimed numerous victims here in Japan but also left the peoples of neighboring Asia and elsewhere with scars that are painful even today. I am thus taking this opportunity to state my belief, based on my profound remorse for these acts of aggression, colonial rule, and the like (which) cause such unbearable suffering and sorrow for so many people, that Japan's future path should be one of making every effort to build world peace in line with my no-war commitment.

It is imperative for us Japanese to look squarely to our history with the peoples of neighboring Asia and elsewhere. Only with solid basis of mutual understanding and confidence that can be built through overcoming the pain on both sides, can we and the peoples of neighboring countries together clear up the future of Asia-Pacific.

With next year's historic 50th anniversary of the war's end, I believe it is necessary that such views are solidified and that we redouble our efforts for peace.

In keeping with this view, I would like to announce "Peace, Friendship, and Exchange Initiative" to start in the 50th anniversary, 1995. I see this as a two-part initiative.

One part consists of support for historical research, including the collection and cataloging of historical documents and support for researchers, to enable everyone to face squarely to the facts of history.

The other part consists of exchange programs to promote dialogue and mutual understanding in all walks of life through intellectual exchange, youth exchange and so on.

I would also like to include such other programs as deemed appropriate in light of the initiative's objectives.

In addition, I would like to consider the establishment of an Asian historical document center, which has been advocated, within this initiative.

While this initiative will focus primarily upon the neighboring Asian countries and areas where Japan's past actions have left deep scars even today, I also want to include other regions as appropriate in light of the initiative's objectives.

This initiative calls for the disbursement of about 100 billion yen over the next 10 years, with the details now being worked out within the government for inclusion in the next year's budget.

On the issue of wartime "comfort women," which seriously stained the honor and dignity of many women, I would like to take this opportunity once again to express my profound and sincere remorse and apologies.

With regard to this issue as well, I believe that one way of demonstrating such feelings of apologies and remorse is to work to further promote mutual understanding with the countries and areas concerned as well as to face squarely to the past and ensure that it is rightly conveyed to future generations. This initiative, in this sense, has been drawn up consistent with such belief.

Along with the initiative by the government, I would like to find out, together with Japanese people, an appropriate way which enables a wide participation of people so that we can share such feelings.

The government is keenly aware of the importance of international cooperation in such fields as the advancement of women and the enhancement of women's welfare.

I have been strongly concerned with the issues of women's human rights and welfare. Knowing that the fourth world conference on women is scheduled to be held in Beijing next year to formulate new guidelines for the advancement of women toward the 21st century, the government intends to place even greater emphasis on economic cooperation in such fields as the advancement of women and the enhancement of women's welfare, including, for example, vocational training centers for women, particularly in relation to the neighboring Asian countries and areas.

With this "Peace, Friendship, and Exchange Initiative" as the basic framework, the government also intends to make good-faith efforts in the following areas.

One is the issue on permanent repatriation of ethnic Koreans residing in Sakhalin. This issue cries out for our attention particularly from a humanitarian perspective, and the government intends to decide upon the support policies as soon as possible, in full consultation with the governments of the Republic of Korea and the Russian Federation, and to implement them as they are firmed up.

The other is the issue of "established financial obligations" to the people concerned in Taiwan, including the nonpayment of wages and the status of military postal savings accounts, which have long defied solution. Considering the facts including that the creditors are increasingly aging year by year, the government intends to work to meet these established obligations as soon as possible.

While almost half a century has passed since the end of the war, a vast majority of people today have not experienced the war. In order to make sure that the horrors of war be never again repeated, we should not forget about the war. It is all the more essential in this time of peace and abundance that we reflect on the errors in our history, convey to future generations the horrors

of war and the many lives that were lost, and work continuously for lasting peace. I believe that this is the responsibility which the political leadership and the administration of Japan should bear together with each and every Japanese.

Text of Initiative on Peace, Friendship, Exchange

*OW3108114194 Tokyo KYODO in English 1122 GMT
31 Aug 94*

[Text] Tokyo, Aug. 31 KYODO—The following is the full text of a program announced by the Japanese Government Wednesday [31 Aug] to promote peace and atone Japan's aggression during World War II.

Purpose

Japan has been making every effort, based on the remorse of the war, to reflect on its policies the idea and the determination as a peace-loving nation. With regard to the issues on reparations, property and claims relating to the war, we have dealt with them in good faith in accordance with the San Francisco Peace Treaty and the other relevant international agreements.

While keeping on such a position, with next year's 50th anniversary of the war's end, it is necessary for Japan to make every effort to build world peace in line with the no-war commitment, based on the profound remorse for the fact that Japan's actions including acts of aggression and colonial rule caused unbearable suffering and sorrow for so many people in the neighboring Asian countries and elsewhere, as is seen in the issue of wartime "comfort women."

From such a point of view, this initiative aims at building future-oriented relations with the neighboring Asian countries and elsewhere through looking squarely to the history and further promoting mutual understanding with them.

Conceptual Outline

This is a two-part initiative of (a) support for historical research to enable everyone to face squarely to the past history and (b) expanded exchange programs to promote mutual understanding with the peoples of the neighboring Asian countries and elsewhere; while it also includes (c) such other programs as deemed appropriate in light of the initiative's objectives.

The support for historical research includes (a) collecting and cataloging documentation and other materials relating to the neighboring Asian countries and elsewhere and (b) support for researchers in Japan as well as in these countries and areas.

The exchange portion aims at dramatically enhancing bilateral and multilateral exchange programs between and among Japan and the neighboring Asian countries as well as elsewhere. This includes such exchanges among people in all walks of life as (a) intellectual exchanges, (b)

student-abroad exchanges, (c) youth exchanges, and (d) grassroots and other community exchanges.

The need to establish an Asian historical document center has been argued, and study will also be given to its establishment as part of this initiative.

Procedural Details

The specific projects to be undertaken in any given fiscal year are to be stipulated in the budget for that fiscal year.

The cabinet councillors' office on external affairs will coordinate the programs to be implemented under this initiative, based upon the reports from the ministries and agencies concerned every year on programs appropriate to this initiative.

Scale of Operation

The initiative calls for the disbursement of about 100 billion yen over the next 10 years appropriated for the new projects as well as the expansion of already established projects.

Likely Projects for the First Year

Under Ministry of Foreign Affairs Auspices

Having the Japan Foundation institute new exchange and other programs with neighboring Asian countries and elsewhere, including intellectual exchanges, improvement of cultural infrastructure, and programs to promote Japanese understanding of Asia.

With (the) Republic of Korea, providing support for historians and other researchers, advancing the collection and cataloging of historical documents relating to Japan-Korea relations, and more.

With China, providing support for historians and other researchers, advancing the collection and cataloging of historical documents relating to Japan-China relations, and more. With Taiwan, providing support for historians and other researchers through interchange association, advancing the collection and cataloging of historical documents relating to Japan-Taiwan relations, promoting person-to-person exchanges, and more.

Offering research support and support for youth and other person-to-person exchanges, not only with the neighboring Asian countries but also, as appropriate, with the Netherlands, the United Kingdom, Australia, New Zealand, Pacific islands nations, and elsewhere.

Issuing invitations to journalists and other opinion leaders from the Asia-Pacific region to visit Japan.

Under Ministry of Education Auspices

Expanding Student-Abroad Exchange Programs.

Expanding cultural exchanges with the neighboring Asian countries and elsewhere.

Plan To Alter Satellite Flight Course Abandoned

OW3108132094 Tokyo KYODO in English 1239 GMT
31 Aug 94

[Excerpt] Tsukuba, Japan, Aug. 31 KYODO—The National Space Development Agency (NASDA) said Wednesday it has decided not to make further attempts to alter the flight course of its satellite Kiku to put it on a geostationary orbit above the equator.

NASDA Director Masato Yamano told a news conference in the space agency's Tsukuba Space Center in Tsukuba, Ibaraki Prefecture, "I deeply apologize for the failure" to move the satellite from its current elliptical transfer orbit to a geostationary orbit.

Kiku No. 6 was originally intended to be used for a string of scientific tests related to laser and other sophisticated communications technology.

Yamano said NASDA will still attempt to conduct some scientific tests even while the spacecraft is on its elliptical orbit.

The decision to abort the bid to put it onto the geostationary orbit came several hours after NASDA engineers' efforts to alter its flight course came up empty despite repeated attempts, the agency said. [passage omitted]

Existing Problems Described

OW3108110494 Tokyo KYODO in English 1024 GMT
31 Aug 94

[Text] Tsukuba, Japan, Aug. 31 KYODO—Japan's sixth test satellite, Kiku, remains in its elliptical transfer orbit despite repeated attempts Wednesday [31 Aug] to place it into a geostationary orbit, space engineers said.

Engineers at the Tsukuba Space Center of the National Space Development Agency (NASDA) in Tsukuba, Ibaraki Prefecture, said they beamed command signals to Kiku (chrysanthemum) at 1:58 P.M. to ignite the engine.

However, combustion did not rise sharply enough to propel the satellite into changing its flight course, the engineers said.

Engineers fired the engines three more times, but necessary thrust so that the satellite could reposition itself was not available, they said.

"The satellite did not perform well. The level of the combustion (of the engine) was low," said Hidehiko Mori, director of the Tsukuba Space Center.

The engineers blamed the malfunction on a faulty valve through which liquefied rocket fuel was to be pumped into the engine.

In order to conduct a string of planned scientific tests, the satellite, now circling the earth in an elliptical orbit,

must first be placed into a circular drift orbit and then a geostationary orbit at a slightly lower altitude.

NASDA said it plans to make another try to boost combustion but acknowledged that an engine trouble has not been fixed.

It may be extremely difficult to place the 3.8-ton, 42 billion yen satellite onto the planned geostationary orbit, NASDA sources said.

NASDA's original plan called for slimming the satellite to 2 tons by having it jettison the 1.8-ton engine.

After the procedure is completed, it was to be placed onto a circular geostationary orbit 36,000 kilometers above the equator near Papua New Guinea, where it was to remain for 10 years.

The last time NASDA failed in its aim was in 1980, when efforts to put the experimental satellite Ayama (iris) into a geostationary orbit failed due to excessive engine combustion.

The Kiku No. 6 was injected into the elliptical transfer orbit after the H-2 rocket was launched Sunday from NASDA's space center on the southern island of Tanegashima, Kagoshima Prefecture.

The 50-meter, 260-ton rocket, built entirely with Japan's technologies, was launched under the H-2 rocket program, which seeks to put Japan among the world's advanced space powers.

It was the nation's first solo launching of a 2-ton class geostationary satellite. If Kiku's repositioning had fared well, it would prove to be a successful prototype of a next-generation sophisticated communications satellite, they said.

NASDA earlier said Kiku will test data relay between satellites as well as conduct experiments on fixed and mobile communications by using multibeam antenna that will improve the amount and speed of telecommunications.

The satellite, the 52th launched by Japan, was to test sophisticated laser communications equipment.

* Nagano Speech Linked to Constitutional Revision

942B0127A Tokyo SEKAI in Japanese Jul 94 pp 84-87

[Article by Motofumi Asai, Meiji Gakuin University professor: "'International Politics' Not Isolated 'Veherent Speech'"]

[Text] Reverse Course Revived

Previously, ASAHI SHIMBUN reporter Motoo Goto commented on the 1960 Security Treaty and the Kishi concept that promoted it in *Vestige of Postwar Conservative Politics* (Iwanami Shoten) and stated the following:

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

"In the 20 years since then (1960 Security Treaty), that Kishi concept (the Kishi concept, which Kenzo Uchida who was conversing with Goto advocated and Goto also approved, was a series of concepts "to revise the Constitution, revise the Security Treaty, oppose China (anti-Chinese Communist), and revise the Police Duties Execution Law. Page 173 of book) has not progressed. However, the fact that there is a constant move to a reverse course or revision of the Constitution and strengthening of military power means that it still is not completely dead. Historically speaking, the fact that the Kishi concept will be revived at any time is the starting point. I believe that it can be said that the starting point of the reverse course lies there, that it has not been destroyed" (page 186).

This remark was made in 1980. However, when you look at the series of speeches and actions by the Hata cabinet members represented by the previous Minister of Justice Nagano, you will again admire that keen insight.

Nagano's remarks, backed by the general conservatism of Japanese politics which has embroiled the Social Democratic Party of Japan (SDPJ) and Rengo [National Confederation of Trade Unions], form a link in the Constitution revision schemes which the Hata cabinet is trying to promote. The points below are particularly important.

First, Nagano's speech which denied the historical fact of the Great Nanking Massacre and tried to beautify it without acknowledging the history of the Japanese militarist invasion is not at all an isolated item and rather represents one of the idealistic trends of postwar conservative politics. It is well known that for a long time one of the biggest points in history textbook approval by the Ministry of Education surrounded this problem. The continued involvement in the realization of official visits to Yasukuni Shrine [dedicated to soldiers killed in wars] by successive cabinets is also along the same line.

As cases where a speech was made like Nagano's and they were dismissed or forced to resign, there are Minister of Education Masayuki Fujio in September 1986 (Nakasone cabinet) and Director General of the National Land Agency Seisuke Okuno (Takeshita cabinet) in May 1988.

Moreover, in order to confirm that Nagano's speech decidedly was not an isolated incident even under today's conditions, in May 1990, Liberal Democratic Party (LDP) Secretary General (at the time) Ichiro Ozawa, who has a close relationship with Nagano, remarked that "We are cooperating (in economic aspects) out of reflection (regarding past colonial domination and wars of aggression). Beyond that, is it necessary to grovel on the ground or prostrate oneself?" (according to ASAHI SHIMBUN dated 7 May), and it should be recalled that he was driven to make an apology confronted with South Korean opposition.

Connection With "Emergency Legislation"

Second, the conspicuous political meaning today of Nagano's speech cannot be understood accurately apart from its connection with the speeches of other members of the Hata cabinet.

For example, Foreign Minister Kakizawa expressed doubt on the interpretation that the exercise of the right to collective self defense was not sanctioned under current Constitution, which the successive LDP governments had indicated. He remarked, "Will the U.S.-Japan Security Treaty function by that? Can we respond in an emergency? The time has come where there is a need to make a reexamination" (ASAHI SHIMBUN dated 30 April). Japan Defense Agency Director General Kanda also is making speeches with the same purport with rather euphemistic expressions. There have been also speeches one after the other concerning emergency legislation.

Regarding allegations of the so-called nuclear developments by the Democratic People's Republic of Korea (North Korea), the United States is studying the possibility of imposing sanctions on North Korea and is demanding positive cooperation from Japan (including supplies and refueling for the 7th Fleet, and cooperation in an ocean blockade). If we intend to cooperate in this, it will be necessary to remove restrictions on the right to collective self-defense, and the preparation of emergency legislation becomes an urgent task. The speeches by Kakizawa and Kanda are strategic moves for that purpose.

Nagano is the managing director of the Japan Strategic Research Center where Ichiro Ozawa serves as chairman. The center published *Security That Will Survive in the World—Guidelines for the 21st Century* (Genshobo, hereafter abbreviated as "Guidelines"), and in it, it is proposed that in order to be able to take aggressive military action abroad, Japan "revise the interpretation of the Constitution" or in other words, make the exercise of the right to collective self-defense constitutional and "provide a national crisis management system" (including provision of emergency legislation). Then, it states that "policy on North Korea, 1) should be accompanied by "scrupulous care," but along with that, 2) it is important to take "a close cooperative line" with the *United States and South Korea*, and 3) "a decisive measure" is considered necessary for North Korea's action contrary to international rules" (page 111) (italics by author).

In basic policy that was agreed upon among the various parties prior to forming the Hata regime, there is on the problem of the Korean Peninsula, that in an emergency situation, "it will be handled in close concert and with cooperation between the various nations of Japan and the *United States and Japan and South Korea*" (italics by author). The fact that this resembles part of 2) above in words must not be overlooked as simply accidental.

Third, the attitude of beautifying the militarist past is difficult to separate from and is tied to the aggressive stance on overseas military action.

The following perceptions concerning Asian countries are indicated in the "Guidelines." "A sense of hatred against Japan resembling a grudge always will remain...in the Korean peninsula. Particularly in South Korea, chagrin at being unable to catch up with Japan because of the expanding economic difference with Japan seems to elevate that sense of hatred" (page 109). "We also would like the South Korean side to eliminate their 'Japan-centered view of history' (kind of concept that Japan is responsible for all bad things) and have a sound judgment attitude" (same page). "China has the perception that their own territory has continued to shrink by the advanced nations. For this reason, China's response concerning territorial dominium is stubborn and stringent" (page 140).

It is not difficult to see the same roots as Nagano's speech in these statements, and attention must be directed to the fact that it is the aim to revise the Constitution which is behind such awareness of Asia. Borrowing an expression from the aforementioned Goto, truly the Kishi concept is becoming "revived."

Fourth, the military glorification and aim to revise the Constitution are linked to a blunt "good guy-bad guy" adversary concept.

Nagano's speech thoroughly vindicates Japan (for example, justification of the Greater East Asia Co-Prosperty Sphere concept) and unequally expresses a consciousness that the various foreign countries which drove Japan into such a situation are bad. That concept ignores the problem of the threat on other countries which Japan becoming a military superpower would have today and is linked to an egotistic perception that solely emphasizes the point that Japan is exposed to threats from other countries.

Russia and China are presumed to be a threat unilaterally and openly in the "Guidelines," such as "If Russia succeeds in economic stabilization, it will simply be a matter of a number of years before it surfaces again as a military threat to Japan" (page 46), or "The possibility cannot be denied that China, which has enacted a territorial waters law, will embark on the exercise of military force in the future in order to protect their sovereignty regarding territory. Such a situation would be a defensive situation for Japan, and naturally, it would be the right to exercise self-defense" (page 145). Here, we are made aware the revival of the Kishi-type temperament that openly showed anti-Communist, anti-Soviet tendency.

Public Not Informed of U.S. Demands

Fifth, the Nagano speech has the nature of openly challenging the Peace Constitution due to forces which have begun to openly advocate "revision" of the Constitution.

The speeches (aforementioned) by members of the Hata cabinet are a move to explore the possibility of substantial revision of the Constitution using the psychology of the people's anxiety about the problem of "nuclear allegations" about North Korea.

However, it would be a big mistake if to think that such moves will calm when the U.S.-North Korean negotiations succeed. The reason is that the U.S. Government is openly demanding Japan's full support on its world military strategy, and if we are to comply wholly with that demand, we must revise Article 9 which forbids the exercise of the right to collective self-defense and overseas dispatch of troops.¹

Work on the Aspin Report began in the LDP government era and was announced when it had become the Hosokawa coalition regime. It is impossible that an important document of this kind would be prepared and unilaterally announced without consulting Japan. In short, we must assume that all political parties (including the SDPJ), except for the Japan Communist Party, comport themselves with an understanding of the situation of the U.S. demands on Japan.

Here, I have to think deeply. Why isn't the public informed of such important demands by the United States on Japan? How is the LDP which aims to recapture political power from the coalition regime going to deal with this problem? What about the SDPJ which seems to be parting with the Hata regime? There have been calls to amass the forces of "Constitution protection liberals" or the forces of "democratic socialist liberals" from those that criticize the power politics of Ozawa, but these forces naturally should have known about the U.S. demands on Japan. However, why have they not tried to touch on this problem?

Furthermore, the Perry speech is a very serious intervention in domestic politics by openly demanding a revision of the most fundamental law (Constitution) of a sovereign nation. Moreover, even the fact that such a speech was made is not known except by a small group of people. Is it only I who detects a serious situation not only with Nagata-cho politics, but also within the world of journalism?

The Nagano speech holds serious details like the above that we must not ignore. Since the embedding of the SDPJ began in the political party in power, an unprincipled course of cooperation with the United States seems to have pushed its way through under the name of "realism." Various elaborately dressed Constitution revision theories such as a military "international contribution," cooperation with the United Nations, or "one-nation pacifism" criticism have appeared in addition to existing independent Constitution enactment theories, and now argument on protection of the Constitution itself seems to require courage (?).

Based on the above speech by Nagano, however, I venture to question these Constitution revisionists.

First, do you really believe that conformity with the U.S. military course will contribute to international peace and security?

Second, are you really confident that there is no danger of Japan becoming a military superpower?

Third, do you really feel no danger considering Japanese democracy in Nagata-cho politics which is trying to produce the fruit of Constitution revision (including revision of the interpretation of Constitution) while hiding the facts from the people?

Note

In the so-called bottom-up review by Defense Secretary Aspin (at the time) that was published on 1 September 1993, the United States indicated the tactical plan for tackling and winning two large-scale regional conflicts at the same time with the participation of allied forces (Japanese overseas dispatch of troops naturally was considered a premise). Then, it proposed expansion of existing military alliances to conform with new conditions (in other words, revision of the U.S.-Japan Security Treaty). Defense Secretary Perry stated on 6 May 1994 that "I am strongly confident and expect that from now until next year, revision in the legal aspect and probably revision of the Constitution will be carried out in Germany and Japan in order to expand greatly their respective capabilities to participate in international peace-keeping operations."

Only 4.8 Percent Increase Seen in 1995 Budget

OW3108113294 Tokyo KYODO in English 1106 GMT
31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Requests for the fiscal 1995 budget received by Wednesday's [31 Aug] deadline from government ministries and agencies totaled 76,571 billion yen, up 4.8 percent from the current year's initial budget, shows a calculation by KYODO NEWS SERVICE.

The 4.8 percent growth is the lowest in 11 years, down from the 6.1 percent rise seen in the fiscal 1994 budget requests, due to austere general operating expenditures, Finance Ministry officials said.

Finance Minister Masayoshi Takemura said at a press conference his ministry will strictly review systems and priorities in screening the requests to compile its draft budget in view of increasingly severe financial conditions.

The government posted a deficit in fiscal 1993 for the second straight year, with a shortfall in tax revenues for the third year in a row.

The cabinet of Prime Minister Tomiichi Murayama will adopt a final budget plan by late December if all goes smoothly.

Carefully watched requests for defense costs came to 4,726.9 billion yen, up 0.9 percent from the initial budget in the current fiscal year.

Requests for official development assistance (ODA) apparently marked an increase mirroring that in the fiscal 1994 budget request, though exact figures have not been calculated.

Requests for the general fiscal loan and investment program, known as the second national budget, totaled 43.08 trillion yen, up about 9 percent from the fiscal 1994 initial program worth 39.41 trillion yen.

The program is designed to improve social infrastructure such as roads and houses by utilizing funds collected through postal savings and pensions.

Among requests for the program, those by housing-related government affiliates marked a sharp 20 percent rise to 12.47 trillion yen, while those related to smaller businesses increased about 9 percent to 6.54 trillion yen.

Revenue for the fiscal 1995 program, however, is expected to be less since postal savings are likely to remain unchanged from this fiscal year, around 10 trillion yen, and pension funds are expected to fall to some 6.36 trillion yen, the ministry officials said.

Under the circumstances, the ministry will thoroughly review priority of projects in these requests, they said.

Requests for general operating expenditures—the core budget for defense, public works and other key spending that excludes debt servicing and tax grants to autonomous bodies—totaled 42,827.6 billion yen, up 4.8 percent from the initial fiscal 1994 budget.

The amount is the maximum limit under the request ceiling imposed late July.

Requests for special allocations for policy-priority public works came to 645.6 billion yen, more than double the 300 billion yen earmarked for such spending.

The ministry will review less flexible allocations for public works projects through discussions with the ruling coalition parties in order to scale down the requests to the 300 billion yen limit, the officials said.

Outside general operating expenditures, requests for debt-servicing costs totaled 16,406 billion yen, up 14.2 percent, reflecting increases in the outstanding amounts and interest payments at higher rates.

The amount includes 3,245.7 billion yen to be returned to the national debt consolidation fund as financial sources for redemption.

Expenses for servicing deficit-covering bonds worth 3.13 trillion yen, to be issued as revenue sources for the single-year tax cuts in fiscal 1994, are not included since the government has not decided on tax reform by the year-end.

Tax grants to local governments came to 15,471.1 billion yen, up 21.3 percent.

Murayama Said To Fail in Defining Asia Policy

OW3108005694 Tokyo KYODO in English 0009 GMT
31 Aug 94

[By Takehiko Kajita]

[Text] Tokyo, Aug. 31 KYODO—Despite strenuous efforts to demonstrate Japan's emphasis on Asia, Prime Minister Tomiichi Murayama failed during his Southeast Asian trip to define clearly what role Japan is trying to play in the region and in international fora generally.

His eight-day swing of four Southeast Asian countries—the Philippines, Vietnam, Malaysia and Singapore—did achieve some of his initial, if limited, goals.

"I could deepen understanding, promote friendly relations and reaffirm our future course with each country," Murayama told reporters after returning to his official residence in Tokyo.

But the 70-year-old Murayama had trouble giving clear-cut answers when confronted with a seemingly well-orchestrated chorus of calls from Southeast Asian leaders for Japan to play a more prominent political role internationally.

Eager to atone for Japan's atrocities in Asia during World War II, Murayama time and again apologized during the trip for his country's wartime guilt and vowed Japan will never again become a military power under its war-renouncing constitution.

One symbolic gesture was his wreath-laying on Sunday [28 August] at a Singapore memorial to civilians slain by Japanese troops in the war. Singapore Government leaders and citizens praised the deed, the first by a Japanese head of government.

"The people of Singapore are touched by your gesture of laying a wreath at our civilian war memorial," Singapore Prime Minister Goh Chok Tong said in a speech at a banquet honoring Murayama.

Southeast Asian countries appeared more anxious to build future-oriented ties with Japan than to demand apologies and compensation from Tokyo for past sins.

"Although the issue of the past remains a small, dark cloud over bilateral ties, I hope the two countries will walk toward the future without being prisoners to the past," Philippine President Fidel Ramos told Murayama.

Malaysian Prime Minister Mahathir bin Mohamed went farthest in seeking Japan's radical departure from its past policies. He said Japan should no longer apologize for its wartime wrongs but prepare to play all international roles, including a military role in UN peacekeeping efforts.

That call and Singapore President Ong Teng Cheong's later call for Japan's entry into the UN Security Council as a permanent member were difficult ones for Murayama to deal with as they are major items of political contention between Japan's governing coalition and opposition forces.

At a news conference in Singapore, the premier displayed a cautious stand over Japan's bid to acquire a permanent UN Security Council seat, citing the problematic expectations of an accompanying increase in its obligations in the international arena—an apparent reference to a full-blown military role in UN peace missions abroad.

"We should deal with this matter by trying to win support from our neighboring countries and the understanding of our people," he said, noting the need to examine the obligations as well as the rights Japan will receive if admitted to the council as a permanent member.

"We want to consider what role we can play and what contributions we can make within the bounds of our Constitution," he said.

Japan has strictly limited its peacekeeping duties to the nonmilitary field, such as cease-fire monitoring, as its 1947 Constitution bars the use or threat of force in resolving international disputes.

Murayama also remained noncommittal on Mahathir's proposal for launching an East Asia Economic Caucus (EAEC) forum, only saying that Tokyo will continue to study the Malaysian proposal.

It was, perhaps, all he could do, because Japan's support for the setting up of the regional group would provoke anger from the United States, which fears the EAEC could become a trade bloc excluding the U.S.

And the premier's effort during the swing to promote relations with Japan's Asian neighbors, not only in economic cooperation but also in political dialogue and cultural and personnel exchanges, arguably bore significance in itself.

For example, Murayama's trip to Hanoi, the first by a Japanese premier since the end of the Vietnam war in 1975, was a departure from Tokyo's traditional diplomacy to follow the footsteps of U.S. diplomatic initiatives.

A Japanese official who traveled with the premier through Southeast Asia acknowledged the difficulty in Japan deciding on the role it should play and what cooperation it can offer to states in the region, mainly due to their diversity.

But the official expressed confidence Japan can take on a more prominent role, riding the crest of fast-rising expectations of Japan in Southeast Asian countries.

"I'm sure they have no ill-feeling about the bigger role Japan is going to play," the official said.

APEC Trade Ministers' Meeting Set for Oct

OW3008150294 Tokyo KYODO in English 1339 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Trade ministers from the Asia-Pacific Economic Cooperation (APEC) forum will meet in Jakarta on Oct. 6 to discuss a wide spectrum of trade problems, a senior Foreign Ministry official said Tuesday [30 Aug].

The official, who requested anonymity, said discussions will be held on the impact of the Uruguay Round of global trade negotiations on the regional economy and progress toward inauguration of the World Trade Organization, which is to replace the General Agreement on Tariffs and Trade next January.

A decision to hold the ministerial meeting was reached at the forum's informal summit in Seattle, Washington, last November.

Japan's representative at the Jakarta session has not been decided, the official said.

International Fiscal Policy Seminar Planned

OW3008080294 Tokyo KYODO in English 0725 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—The Finance Ministry said Tuesday [30 Aug] it will hold a three-month seminar program on Japan's fiscal policy and systems with financial officials from 13 nations attending.

The program, also held the previous two years, will start Sept. 3 and wrap up Dec. 9, and will give foreign officials a chance to study and exchange views with Japanese counterparts on Japan's fiscal policy and systems, the ministry said.

It said this year's program will feature new participation from Argentina, Australia and Germany.

The 10 other countries taking part again are Bangladesh, China, India, Indonesia, South Korea, Mongolia, Poland, Thailand, Turkey and Vietnam.

About a third of the participants will be women.

The program is part of programs promoted by the ministry's Institute of Fiscal and Monetary Policy to meet requests by developing nations and countries in transition to market economies.

The institute is also actively conducting other exchange programs such as inviting government study missions and sending experts, the ministry said.

EPA Formulates Basic Future ODA Policy

OW3008131194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Aug 94 Morning Edition p3

[Text] The Economic Planning Agency [EPA] has decided on a new basic policy on ways to provide

economic assistance to developing countries. Japan has so far hastily provided the newest technology and foreign capital to developing countries because it has aimed for short-term results from its economic aid. Taking this into consideration, the EPA maintains that developing countries should follow the example of Japan in economic development, and that steady and substantial assistance should be increased based on the following three principal objectives: 1) the improvement of social infrastructure such as roads and communications; 2) the fostering of small and medium enterprises; and 3) the spread of education. Since the EPA has already finished coordination with the Foreign Ministry, the Finance Ministry, and the Ministry of International Trade and Industry, it intends to implement the new policy through future Official Development Assistance (ODA) programs.

The EPA has worked out the new aid guidelines based on discussions held at the study group on "Japan's Experiences and Assistance to Developing Countries" (chaired by Chikao Tsukuda, vice president of the Overseas Cooperation Fund), which was set up within the EPA. The guidelines will be issued in the form of a report this fall.

The major point of the new guidelines is that Japan will try to promote economic assistance to developing countries, using Japan's economic development as a model. By emphasizing Japan's economic development, achieved by its self-help efforts, Japan will seek to break away from its traditional aid system under which it has so far implemented economic aid passively in line with developing countries' requests.

In concrete terms, the new guidelines recommend that investments in infrastructure should be focused on the human "transportation" sector, including railroads, roads, and communications. This is also based on the fact that traffic congestion and other problems caused by the delay in improving social infrastructure are noted even in the Asian region, which is achieving rapid economic growth in the international arena.

As for the fostering of small and medium enterprises, the guidelines expect that Japan will help developing countries develop their peripheral industries by supporting major companies' parts production and processing. Moreover, regarding the spread of education as a prerequisite for economic growth, it states that Japan should positively cooperate with developing countries in improving middle and higher educational institutes.

Comprehensive War Reparations Package Unveiled

OW3108075894 Tokyo KYODO in English 0750 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japan on Wednesday [31 Aug] unveiled a comprehensive package of policy

measures to compensate the nations victimized by Japan's wartime aggressions.

Chief Cabinet Secretary Kozo Igarashi described in a press conference the details of the 100 billion yen package to be disbursed over the next 10 years.

To translate Japan's repentance over the atrocities and damages into fiscal action, the government of Prime Minister Tomiichi Murayama has adopted a two-pronged program called "Peace, Friendship and Exchange Initiative," Igarashi said.

Financial help will be provided along with support to research wartime aggression, including the collection and cataloging of historical documents "to enable everyone to face squarely the facts of history," Igarashi said.

Also included are programs to expedite dialogue and mutual understanding through funding exchanges of intellectuals, journalists and the youth of Japan, he said.

However, the program stopped short of expressing readiness to meet mounting calls for individual reparations for victims such as "comfort women," Asian women who were forced into sexual servitude at frontline brothels for the Imperial Army.

The government intends to establish vocational training centers for women of neighboring Asian nations, the top government spokesman said.

The plan also calls for expediting the repatriation of ethnic Koreans on the Russian island of Sakhalin who were forcibly taken there as forced labor, he said.

It also envisions meeting Japan's "established financial obligations" to Taiwanese who have been demanding the repayment of military postal savings and wages earned as conscripted wartime laborers or Imperial Army soldiers, he said.

The postal savings deposits have been outstanding obligations that Japan has failed to meet amid the diplomatic tension with Taiwan that followed the 1972 normalization of Japan's diplomatic ties with Mainland China.

Russian Academic Discusses Kim Il-song Regime

OW3108123194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Aug 94 Morning Edition p 11

[Interview with Marina Torikbenko, director of the Asia Center under the Russia International Economy and Politics Research Institute, by NIHON KEIZAI SHIMBUN correspondent Nobuyuki Tanaka in Moscow; date not given—first paragraph is NIHON KEIZAI SHIMBUN introduction]

[Text] Following the death of President Kim Il-song of the DPRK (North Korea), attention has been focused on North Korea's domestic political situation, its economic policy, and its foreign policy toward such issues as its

suspected development of nuclear weapons. Marina Torikbenko, director of the Asia Center under the Russia International Economy and Politics Research Institute [name as published], visited North Korea in early August. I interviewed her to ask her impressions of the DPRK, as well as of the current state of the new (Secretary) Kim Chong-il structure.

Serious Gasoline Shortage

[Tanaka] What impressed you the most during your visit to North Korea?

[Torikbenko] I visited Pyongyang and its suburbs. The people there live in peace and quiet. It was not difficult at all to get appointments for meetings with Foreign Ministry officials. However, I felt that they had increased their dependence on China. A senior Foreign Ministry official told me that "as long as the Communist leadership exists in China, North Korea will also exist." I think that following the death of the charismatic leader Kim Il-song, they have become entirely dependent on China.

[Tanaka] How are the living conditions of the people?

[Torikbenko] The gasoline shortage is serious. No gasoline is available for vehicles. Torrential rains and food shortages have also caused problems. There were not many customers at hotels and restaurants, partly because there were fewer foreigners there. In fact, only foreigners can go to restaurants in that country. Transportation was functioning only in Pyongyang.

Kim Chong-il's Health Problems

[Tanaka] Were there any signs of a change in the people's living conditions?

[Torikbenko] Black market dealings in foreign currencies are rampant. There are two kinds of North Korean won: the people's won used by ordinary people, and the "blue won," which is used at special shops to buy foreign products and other goods. When I exchanged my money, the rate was 2.12 blue won to the dollar. I heard that the blue won traded at 100 people's won on the black market. Although this exchange rate is illegal, the government has just shut its eyes to it.

The people are extremely afraid of the ROK. They believe that they will be used as slaves if South Korea enters [as published] the North. It seemed that ordinary people know little of and have no interest in foreign affairs. I think that there will be no great change in North Korea for at least the next three years.

[Tanaka] It has been rumored that Kim Chong-il has health problems. Has the transfer of power from the deceased president to Kim Chong-il been promoted smoothly?

[Torikbenko] The information I obtained also indicates that he is in bad health. I have heard that he suffers from kidney and neurotic troubles.

There is no objection within the government, party, and military to Kim Chong-il succeeding the late Kim Il-song as the leader of the DPRK. China also hopes that he will be the successor. If a person other than Kim Chong-il should become the successor, this will cause confusion in the country. This is why everybody wants the younger Kim to succeed his late father.

The official announcement of the inauguration of Kim Chong-il as the head of state has been delayed. I think this is because Pyongyang has judged that a period is needed to make known to its people that there is no change in society even following the death of Kim Il-song. It is possible that the official announcement will be delayed until next year.

[Tanaka] Kim Chong-il did not attend the recent popular mass rally. Do you think that his health problems prevented him from attending the meeting?

[Torikbenko] That might not be the only reason. His mental state could also be the reason. He has no experience in giving speeches at official meetings. My guess is that he is afraid to become the supreme state leader without the assistance of his father. **No Hope Placed on U.S.-DPRK Talks**

[Tanaka] It appears that North Korea hopes to improve its relations with the United States.

[Torikbenko] The United States is undependable. I think that the American people and Congress will not allow their government to give its support to the DPRK. Eventually, Washington will give only its say but not its money. Thus, I place no hope on the U.S.-North Korea subcabinet-level talks. Deep down, South Korea must also be displeased with the United States and North Korea holding direct talks in defiance of the South.

[Tanaka] Russia is expecting that North Korea will procure Russian-made light-water reactors when it replaces its graphite-moderated reactors with light-water models.

[Torikbenko] That is the most practical approach. The United States is undependable, while North Korea would never agree to the idea of its depending on South Korea for nuclear energy. China hopes to cooperate in areas excluding nuclear issues. After all, it is only Japan and Russia that are dependable. A favorable scenario would be that North Korea purchases Russian-made light-water reactors with funds obtained from Japan.

[Tanaka] But it is not easy for Japan to provide such funds.

[Torikbenko] That might be so, but this is an opportunity for Japan to improve its relations with the DPRK. Kim Chong-il loves Japanese products and songs. Because he belongs to a younger generation, his anti-Japanese sentiments are not as strong as were his father's.

[Tanaka] What do you think of the relations between North Korea and Russia?

[Torikbenko] To tell you the truth, Deputy Foreign Minister Panov also hoped to visit North Korea at the time of my visit there. However, Pyongyang rejected his visit, possibly because it was offended by the fact that President Yeltsin gave ROK President Kim Yong-sam documents on the Korean war during Kim's visit to Moscow. Anyway, because Russia is bordered by North Korea, the country is important to Russia in terms of its security. From now on, Russia should strengthen its ties with the DPRK through technological assistance concerning nuclear energy. Pyongyang is also hoping for such assistance.

*** DPRK Crisis Management Plan Proposed**

942B0141A Tokyo SHOKUN in Japanese Aug 94 pp 26-37

[Article by Atsuyuki Sassa, director, Cabinet National Security Office: "What Japan Must Do To Abide by Security Pact"]

[Text] **Abrogation of Japan-U.S. Security Pact After U.S.-North Korea Detente—10 Rules of Crisis Management To Avoid Worst Scenario**

The Korean peninsula crisis is alternately projecting hope and fear in the hearts of the Japanese people by vacillating between a peaceful settlement through "dialogue" and a forceful settlement through "UN sanctions."

The situation surrounding the suspicion of nuclear development by North Korea clearly indicates its posture of defiance against the IAEA [International Atomic Energy Agency] and the United Nations, and its readiness to face a head-to-head showdown with President Clinton of the United States, its principal adversary, at a U.S.-North Korea summit meeting. Immediately prior to the Pacific war, outside pressure was applied against Japan in the form of the "ABCD encirclement network." As is well known, A=America, B=Britain, C=China, and D=Dutch. A diplomatic offensive was launched against Japan, which refused to halt its invasion of the Chinese mainland, in the form of economic sanctions including a ban on exports of oil and scrap iron and a freeze on Japan's overseas assets, which triggered the Pacific war. Is North Korea today not falling into a strong delusion of being subjected to an "AJK encirclement network" consisting of A (America), J (Japan), and K (South Korea), like Japan was once upon a time?

The fiercely agitative speech broadcast by Radio Pyongyang that it "considers economic sanctions to be a declaration of war" strikes the listener with a strong sense of repugnance and fear.

Until the end of the 1980's, North Korea was a negligible and insignificant Far Eastern minstate as a military threat from the standpoint of U.S. global strategy.

For a long time, the U.S. State Department had categorized the Democratic People's Republic of Korea [North Korea] together with Iraq, Iran, Libya, Syria, Yemen, and Cuba as nations providing state support for international terrorism in "low-profile conflict." Although it was internationally a political criminal state that provided funds, weapons, and passports to hijackers of the Arab guerrillas and the Japanese Red Army, it was never counted as a military threat.

It was on 29 May 1993 that North Korea, which was ignored in terms of the U.S. global security policy, appeared in the spotlight as a military threat and attracted world attention. North Korea test-fired the Nodong-1 ballistic missile—a further revised version of the remodeled C-type Scud missile under development (range of about 500 km) with a cruise range of about 1,000 km—from its east coast into the middle of the Japan Sea. Prior to that, the world knew that it had invested about 25 percent of its GDP [gross domestic product] to boost its military power and it had constructed nuclear facilities in Yongbyon with financial and technical support from China in line with plans to develop nuclear arms. However, no one showed any concern.

Rise as a Military Threat in the Far East

In the post-cold war era, the global threats have vanished and U.S. strategy has shifted to coping with local threats. In its newly devised "bottom-up" strategy, the Pentagon lists "coping with invasions in the Mideast, Southeast Asia, North Korea, and elsewhere" as an important task, and mentions the six nations of "Iraq, Iran, Libya, North Korea, and Cuba" as posing potential threats against the United States. Thus, North Korea, which had been categorized until the 1980's as a supporter of international terrorism by the U.S. State Department's antiterrorism division, was elevated to the position of a top military threat equipped with CBR (chemical, biological and nuclear weapons) capability due to its possession of the Nodong-1.

The United States has a propensity to always brand some nation as a "pernicious source of multiple evils" and to move impulsively on that basis. During the Carter administration, Iran's al-Khomeini was the source of evil. During the Reagan era, hatred was directed toward Libya's Qadhafi. During Bush's term of office from the Gulf crisis to the Gulf war, Saddam Husayn of Iraq who was given support in the Iraq-Iran war became the devil incarnate. It now appears that the pendulum of history has swung back to the Democratic People's Republic of Korea in the Far East, the old devil of 44 years ago that had been forgotten for a long time but suddenly returned to the spotlight.

President Clinton has devoted himself to the policy of nuclear nonproliferation since he assumed office and has adopted an extremely severe posture against all developing nations that plan nuclear armament, including Saddam Husayn of Iraq and al-Qadhafi of Libya. At

the outset of the North Korean crisis, President Clinton clarified his strong position of being prepared to take military options. Pinpoint bombing of the nuclear complex at Yongbyon with Tomahawk cruise missiles by the Seventh Fleet to tactically minimize U.S. personnel casualties was rumored. When this writer visited the United States last year, he was impressed by the U.S. naval authorities, who stated: "We are ready. The rest is up to the President's decision."

Beginning early this year, however, President Clinton's statements gradually steered toward a flexible war-or-peace posture. They began to show nuances of appeasement such as "the door is always open for negotiations," "caution is required due to the major impact on Japan and South Korea of military options," and "we will agree to a high-level U.S.-North Korea conference based on acceptance of IAEA inspections." This trend became pronounced during Defense Secretary Perry's visit to Japan this spring. According to certain news sources, Secretary Perry's view is as follows. "Perhaps North Korea has already extracted sufficient plutonium to produce two or three nuclear bombs. However, if North Korea freezes its future nuclear arms program, it is wiser to put the past aside, force it into economic bankruptcy and wait for it to self-destruct as in the case of Ceausescu of Romania."

North Korean Version of SS-20

From the U.S. standpoint, North Korea's suspected nuclear development program and the development of its "Nodong" ICBM missile became a North Korean version of the deployment of the SS-20. During the 1970's, the former Soviet Union actually deployed its political nuclear weapon, the SS-20, which could not reach the United States, its arch enemy, but was within firing range of the NATO nations, Japan, and South Korea. To counter the SS-20 which was aimed toward separating the NATO nations from the United States, the United States deployed the "Pershing-2" intermediate-range missile in the European theater. It thus eased the fears of the NATO nations and ultimately solved the problem of the INF [intermediate nuclear force] strategy through mutual abolition of the SS-20 and the Pershing-2 missiles. The episode of Japan's prime minister at the time, who utterly lacked political-military knowledge and awareness about the issue and was ignored at the summit conference, is well known.

The development of the Nodong-1 by North Korea was really a North Korean version of the INF SS-20. The Nodong-1, which cannot reach the United States or the NATO nations is a political weapon that will pose an extremely potent threat to Japan and South Korea, and also to the U.S. Forces deployed in the Korean peninsula and the Far East. It has become a truly awkward problem in that, whereas a global threat can be deterred by strategies of mutual verification and destruction with ICBM's [intercontinental ballistic missiles] and SLBM's

[submarine-launched ballistic missiles], their power cannot be fully effective against a local mini-military state.

The United States has continued its commitments to the security of Japan and South Korea for a long time through the Japan-U.S. security treaty and the U.S.-South Korea mutual defense assistance pact. However, if North Korea becomes desperate and marches southward in a ground war as the result of bad military options, the 35,000 troops of the U.S. Army 2d Division and the 30,000 family members will suffer casualties. In such a case, the U.S. Congress and public opinion will lean toward opposition against Clinton, inviting distrust of President Clinton's leadership, which is beset by scandals and lack of consistency, and this may cause the Democratic Party to lose its ruling power in the next presidential election. Consequently, it will not be easy to enforce military sanctions against North Korea.

The visit to North Korea by former U.S. President and Mrs. Carter is an event that is symbolic of the hesitation and vacillation among U.S. leaders. Former President Carter was elected on the basis of his public commitment to withdraw U.S. troops from South Korea, and is a representative figure of the doves who partially implemented the commitment. President and Mrs. Carter received an unprecedented welcome in North Korea. Their embrace by President Kim Il-song, the party aboard his exclusive yacht, and the appearance of Mrs. Kim Il-song who had previously rarely attended public events, indicated the strong expectations held by the North Korean side toward former President Carter's mediating role. As a result of the Carter-Kim talks on 16-17 June on condition of letting bygones be bygones and freezing future nuclear development, the possibility loomed for a solution through discussions covering a halt in deliberations by the UN Security Council on economic sanctions against North Korea and a reopening of high-level U.S.-North Korea talks. The chances of a North-South summit conference were also improved.

Among the series of moves by the North Korean side, the strangest phenomenon is the waning image of Secretary Kim Chong-il who was entrusted by President Kim Il-song with the highest military command three years ago and was seen as the heir to power as the party chairman and head of state. Secretary Kim Chong-il did not appear at the welcome events for former President and Mrs. Carter and the Kim Il-song-Carter meetings. Also, according to former President Carter, during his sojourn he frequently requested a meeting with Secretary Kim Chong-il but was unable to do so.

In the past, reaction by North Korea on the nuclear arms development issue was extremely provocative, including statements by the foreign minister and the foreign ministry spokesman that "economic sanctions are tantamount to a declaration of war," threats that "Japan would be punished if it participates in economic sanctions," and a declaration that "nuclear armament is a

key policy of North Korea." A consistently hardline posture was seen in a typical statement by Kim Chong-il that "we do not rule out war." At the same time, when tensions mounted with likely sanctions against North Korea, President Kim Il-song who was reportedly headed toward retirement suddenly appeared on the front stage, and showed unprecedented and unscheduled leadership over events by visiting Beijing, replying to a questionnaire by the NHK [Japan Broadcasting Corp] and agreeing to his first interview with a CNN-TV reporter from the United States, an arch adversary.

Kim Il-song clarified his basic policy by stating: "We reject inspections by the IAEA and sanctions by the United Nations, but agree to talks with the United States in a forum for senior officials of the United States and North Korea." Also, in a meeting with Chinese leaders, he denied the suspicions about nuclear armament, stating that "we have no intentions for military use of nuclear power; nor are we developing nuclear weapons." At the Supreme People's Assembly, Kim Il-song was the only speaker, while Kim Chong-il failed to show, and there was absolutely no reference to the nuclear issue. A moderate response contradicting the series of hardline directions was seen in Kim Il-song's speech and actions, culminating in an invitation to former President Carter for a meeting, resulting in prospects for a solution through dialogue.

Kim Il-song's Last Gamble

This strange phenomenon perhaps indicates the existence of a policy of confrontation between the hardliners and the moderates within North Korea's supreme leadership, and a serious power struggle between the first-generation group centering on the elder President Kim Il-song and the newly rising second-generation group of close associates surrounding Secretary Kim Chong-il, the chairman of military affairs. Ever since he decided three years ago to make his real son Kim Chong-il his successor—an unprecedented case in a socialist nation, Kim Il-song has abandoned his policy of North-South unification through military force. He began North-South talks and succeeded in both North and South Korea joining the United Nations. He further proposed U.S.-North Korea dialogue and, albeit in an extremely unnatural fashion, offered to improve relations with Japan, arranging visits to North Korea by Kanemaru (Liberal Democratic Party [LDP]) and Tanabe (Social Democratic Party of Japan [SDPJ]), and winning apologies and verbal promises in exchange for wartime and postwar reparations. He thus implemented a major change in policy that staked North Korea's survival in the post-cold war world.

The great upheaval of the disintegration of Eastern Europe and the dissolution of the Soviet Union that began with the dismantling of the Berlin Wall in 1989 shocked Kim Il-song, together with the Copernican change in the history of the 20th century resulting from the demise of communism. In particular, Kim Il-song,

who compared himself with the tragic end of Romania's Ceausescu father and son, decided on a desperate strategy for survival by avoiding a fate similar to Ceausescu's. At 83 years of age, President Kim Il-song is the lone survivor among the leaders of World War II. The real aim of the elderly leader Kim Il-song may be to have the post-cold war international society "recognize" North Korea which he built by devoting his life to it, to preserve its existence as a state, and to be succeeded by his 53-year-old son Kim Chong-il, the apple of his eye. North Korea, which was positioned during the 1970's and 1980's by the U.S. State Department's antiterrorism policy division as "an international terrorism-abetting state" and was not treated as a normal state in international policy and diplomacy, suddenly loomed as a potential military threat to the United States by using its nuclear card. This was a rare and never-to-be repeated chance for the 83-year-old Kim Il-song. Judging that, if this opportunity was lost, he would never again have a bargaining position in diplomatic negotiations to establish relations with the United States—its arch enemy since the Korean war, and to "reaffirm the status of his son Kim Chong-il and of North Korea," a risky peace-or-war diplomacy was evolved vis-a-vis the United States.

It is therefore difficult to conceive that Kim Il-song, who misjudged the world situation in the Korean war and subsequently suffered international isolation for more than 40 years, would suddenly one day cross the 38th Parallel and perform the suicidal act of moving southward in today's post-cold war era when he absolutely cannot depend on support from Russia and China. Nor is it conceivable that, although they are within firing range of the Nodong-I, Japan and the U.S. Forces stationed in Japan will be subjected to a sneak missile attack. Also, despite the possible extraction of plutonium at the Yongbyon nuclear facilities, it is doubtful whether the Nodong-I, which is reported to be 88 inches in diameter, has been perfected as a precision nuclear missile warhead with a triggering device attachable. It is impossible to deploy it for actual warfare without real testing.

We may go so far as to surmise that the state secret, which North Korea is stubbornly attempting to protect at the risk of UN sanctions, is accompanied by the negative fact that its nuclear arms development has still not made sufficient progress, and that it will require years before deployment for actual warfare.

Consequently, North Korea rejects interference by the IAEA and the United Nations and tried to normalize diplomatic relations with the United States by dealing directly with its arch foe. It is attempting to win recognition from Japan and the other summit nations and to acquire economic aid—particularly wartime reparations from Japan—through high-handed negotiations. With the salvation of North Korea's economy, which is on the brink of disaster, it will use acceptance of inspections or

an international commitment to abstain from military use as its card in negotiations which it will sell at the highest price.

The U.S.-North Korea diplomatic negotiations are evolving, at least at the present time, in a form that is advantageous to North Korea under the initiatives of the elderly leader, Kim Il-song. At this rate, President Clinton—who is young and lacks diplomatic experience—may be drawn into Kim Il-song's pace with the victory perhaps going to Kim Il-song. However, the basic premise for this assumption is that Kim Il-song remains healthy and continues as a respected and charismatic leader of the North Korean people. If analogies are to be found in Japanese history for the Kim father-and-son relationship, they would perhaps include Toyotomi Hideyoshi, who was concerned about the future of his son Hideyori; Takeda Shingen, who left a will warning his son Katsuyori against foreign invasions for several years after his death, and Dosan Saito—the "Viper of Mino"—who was decapitated by his son Yoshitatsu. The fierce dissatisfaction and hatred toward his close relatives by Kim Chong-il and his associates is assumed to be beyond imagination. The political powers that be must not forget for a moment that, when real power shifts from Kim Il-song to Kim Chong-il for some reason in the near future, North Korea's policy of "dialogue" could turn suddenly into a fanatic and xenophobic diplomacy which would not rule out military confrontation.

Real Meaning of the Crisis in the Korean Peninsula

In recent discussions on the crisis in the Korean peninsula in the Diet and the mass media, there has been a tendency for the military aspect to be emphasized, such as a second Korean war and a U.S.-North Korea emergency situation, and for the gravity of the diplomatic crisis behind it to be overlooked. In reality, however, the crisis in the Korean peninsula should confront Japan as a "low-profile conflict" that arises in the long process of twists and turns prior to a military clash. For example, step-by-step economic sanctions, protest struggles by North Korean residents in Japan against a halt in money remittances from Japan, the problem of repatriating 10,000 South Koreans living in Japan in a time of increased tensions, the problem of refugees, infiltration into Japan by destructive operatives and guerrilla activities as retaliatory measures by North Korea, the capture of fishing vessels, arrest and detention of businessmen in North Korea, hostages used as human shields in military facilities, and the arrest of media personnel on suspicion of espionage are factors that may threaten Japan-North Korea relations. Also, problems pertaining to the Japan-U.S. security treaty that would probably arise in the process—in particular, a failure to implement Article 6 concerning "the use of facilities and areas in Japan by the U.S. Armed Forces," or the so-called "obligation to offer bases" that would aggravate Japan-U.S. diplomatic relations—constitute a crisis that requires the greatest caution. Such a situation will develop into a crisis in domestic politics including a rift in national opinion and a change in administration.

As the result of drawn-out and nonmilitary, low-profile conflict between the United States, the UN Security Council and the IAEA versus North Korea, when the U.S.-North Korea interests are seen as merging and U.S.-North Korea reconciliation is established for the first time in a half-century, with an exchange in conditions by "an international commitment toward nuclear nonproliferation" by North Korea and "recognition" of North Korea by the United States, the worst situation conceivable is that only Japan will be left with deteriorated relations versus the United States, South Korea, North Korea, and the United Nations. To make matters worse, as the result of U.S.-North Korea detente, Japan could be induced to provide economic aid in the form of wartime reparations for the reconstruction of the North Korean economy.

The crisis in the Korean peninsula should be seen as a Japan-U.S. diplomatic crisis rather than a Japan-North Korea military crisis. At the same time, it is a crisis for Japan's politics involving the division of national opinion and a confusion in domestic politics. When national unity is necessary on the eve of the 50th anniversary of the end of World War II, such modes of derivative crises must be anticipated to avoid a split between the "normal-state faction" and the "handicapped-state faction." To cope with this, a manual should be prepared which enables clear responses of "yes" or "no." The crisis management measures to be adopted by Japan are discussed by item, as follows.

1. Basic Posture

North Korea's nuclear arms development is a threat to world peace and is particularly a serious security problem that affects Japan's survival. Therefore, a clear basic posture should be adopted from the standpoint of Japan's national interest of fully supporting the strong position of the United Nations, the IAEA, and the United States in seeking nonproliferation. If sanctions are decided, despite the risk of a low-profile conflict arising between Japan and North Korea, every means other than "the use of armed force" (Self-Defense Forces Law, Article 88) by the Self-Defense Forces (SDF) including supply at sea, communications, and rescue activities should be taken to protect the greater security and national interest in the future.

Anxious voices are often heard about possible bombardment of Japan by North Korea with its Nodong-1, but the chances for that are extremely slim, as was mentioned before. Also, the response to the crisis is simple and clear. That is, Article 5 of the Japan-U.S. security pact will be instantly invoked with shared responsibilities of joint responsive actions based on the pact, stipulating an offensive by the United States as the "spear" and defense by Japan as the "shield." U.S. Forces will be in charge of the bombing destruction of their launch bases, which is the most effective anti-Nodong measure. In the face of an unprovoked military attack, even the

peace-inured Japanese people will undoubtedly be aroused instantly and unite in national defense awareness.

To repeat, the problem is rather the manner of coping with a low-profile conflict. The tendency is to merely speak of "participation in sanctions within the framework of the Constitution" and to regard it as an acceptable reply both in Diet deliberations and in TV dialogues with both the questioner and respondees understanding or pretending to understand. However, such bad habits of seeking ambiguous solutions with rhetoric and figures of speech must be stopped. The barren didactics of the past Diet explanations are not useful for management of the North Korean crisis. Should not the SDF's high seas supply-and-rescue activities be debated specifically and separately as to whether they are within the "framework of the Constitution"?

2. Economic Sanctions as a Coercive Measure

According to a public opinion survey by the Yomiuri Shimbun Company, 60.2 percent of the people replied that they "support UN economic sanctions." However, unless economic sanctions are explained fully, the supportive group will change overnight into an opposition group. In Japan, economic sanctions are interpreted as soft sanctions—which include a ban on contacts by diplomats, restrictions on travel by citizens, and a halt in navigation by aircraft and ships—and are different from military sanctions, and are therefore basically in line with peaceful diplomacy. However, from the standpoint of international law, these economic sanctions pertain to "threats against peace, destruction of peace, or behavior constituting acts of invasion" described in Chapter 7 of the UN Charter. In other words, they are "measures not accompanied by the use of military force" under "non-military measures" in Chapter 7, Article 41, including total or partial cutoff of economic relations and means of transport and communications such as railroads, ocean travel, air travel, postal services, telephone services, and radio communication, in addition to diplomatic relations.

In other words, they constitute a part of the compulsory measures and confrontational measures, which are a step beyond the "recommendations" in Chapter 7, Article 39, and the "provisional measures" (PKO [peacekeeping operations] is interpreted as a provisional measure) in Article 40 of the so-called "Six and a Half Chapters." That is why North Korea has stated that "we interpret economic sanctions to be a declaration of war."

In particular, remittances from North Korean residents in Japan constitute a literal life-or-death problem to the North Korean economy, together with the provision of food and oil by China. Consequently, if Japan implements economic sanctions including the stoppage of remittances, desperate actions by the cornered North Korea are fully possible. It is like a child surrounded by bullies who lashes out at the weakest bully, and there is a high risk of retaliatory acts against Japan. Although

Japan may not become involved in a war based on the UN resolution on economic sanctions, it must be prepared for a low-profile conflict and take appropriate steps.

The total remittance to North Korea by North Korean residents in Japan has not been officially assessed. However, the U.S. Congress and mass media have repeatedly criticized Japan as follows. "\$1 billion (100 billion yen) in remittances from Japan have provided North Korea with funds to develop nuclear arms and ballistic missiles, and to purchase MiG-29's, T-72 tanks, and submarines. It has also been exporting missiles to the Mideast countries and widening their military threat."

On the other hand, although a stoppage of remittances may be possible in the areas of Japan-North Korea trade settlement, official remittances by the Chosen Roren [General Council of Korean Residents in Japan] to North Korea and cash carried by repatriates aboard the regularly scheduled steamer *Man Kei Pong*, it is impossible to stop individual remittances and remittances by North Korean families via third countries. Therefore, the effectiveness will be limited. This problem will inevitably have a delicate impact on Japan-U.S. relations. Incidentally, Japan presently bans remittances to four nations: Iran, Serbia, Libya, and Haiti.

3. Rescue of Japanese and Foreign Residents in South Korea

As long as a strong statement has been made that "we interpret economic sanctions to be a declaration of war," the government should advise the estimated 10,000 South Korean residents to return home at the point where the United Nations decides on economic sanctions. It is simultaneously necessary for the Diet to quickly enact the bill on the partial revision of the SDF Law recognizing the offer of government-use planes and SDF transport planes for the rescue of overseas Japanese during natural disasters and upheavals. The revision bill passed the lower house last year, but was dropped in the upper house due to the Diet dissolution and general election. Attachment of a revised bill enabling ocean transport by such vessels as the Maritime Self-Defense Force [MSDF] transport ships, supply ships, and landing craft is advised.

If the revised bill is passed, the rescue of "foreigners" is also possible at the request of the foreign minister. Since the war, more than 100 military disputes have arisen throughout the world, and on each occasion the Japanese Government has relied on the good will of the United States and other nations to rescue overseas Japanese. Today, overseas Japanese total 600,000, and overseas travelers reach 11 million annually. During the recent Gulf war and the Yemen civil strife, resident Japanese were rescued by the military aircraft of several nations. The greatest human international contribution Japan can make within its constitutional framework in the Korean peninsula crisis—as a summit nation contiguous to the peninsula—is to rescue all civilians of the United

States, the EC nations, and ASEAN nations resident in South Korea, based on the judgment of the Japanese Government without waiting for requests by the nations concerned. The Japanese Government should transport them to Kyushu at its own expense, announce the offer of housing and food, and implement them accordingly.

It is particularly important to notify its intention to transport the 30,000 family members of the United States—its ally—living in South Korea, prior to any request by the United States. The U.S. Forces once prohibited its soldiers deployed in advance bases throughout the world from being accompanied by their families. However, the long-term deployment strategy resulted in such domestic problems as divorce, adultery, alcoholism, and delinquent offspring, and the personnel policy was changed drastically during the Carter administration to allow families to accompany the men. Consequently, the rescue of the 30,000 family members of the U.S. Army 2d Division in South Korea has loomed as a major task in an emergency situation.

Simultaneous with economic sanctions, the prime minister's office should decide on reserve spending to charter (Dunkirk style) not only SDF, but also civilian aircraft, ferries, cruise ships, and fishing vessels and, based on adequate prior consultations to avoid stimulating national sentiment in South Korea, mobilize land, sea, and air transportation under joint government and civilian efforts to transport overseas Japanese, U.S. military families, and overseas residents of other nations from Seoul or Pusan to Kyushu. By providing conveniences and protection as high-class refugees at every housing facility, both government and private, including business hotels, guesthouses, co-op rest facilities, the YMCA, public community halls, and gymnasiums, it would not only be extremely humanitarian and contribute to better Japan-U.S. relations, but also be highly evaluated by the United Nations and international society as a human international contribution.

4. "Sea Blockade" Is a Military Action

Although the government has replied that it will "participate in a sea blockade within the framework of the Constitution," a "sea blockade" is not a "nonmilitary measure" as stipulated in Article 41 of the UN Charter. It is stipulated clearly under "military measures" in Article 42 of the UN Charter as follows: "When the Security Council recognizes the inadequacy of the measures mentioned in Article 41, or recognizes that the inadequacy has been clarified, it can take action with air, sea, and land forces as necessary for the maintenance or restoration of international peace and security. It can include a show of force, blockades, and other actions by the air, sea, and land forces consisting of UN member nations." In addition, Article 43 of the UN Charter stipulates a commitment to provide military personnel, assistance, and the offer of conveniences to all members of the United Nations, based on a request by a Security Council member nation. It particularly points out that

"these conveniences include the right of passage." Therefore, when the ships and aircraft of a multinational force participating in a blockade "pass through" Japan's territorial waters and skies, a clear reply of "yes" or "no" must be prepared beforehand in case of a request from the Security Council.

Policy decisions should be based on a clear awareness that participation in a sea blockade constitutes a link in the military actions by UN forces as stipulated in Article 42 of the UN Charter. They should not be camouflaged by rhetoric or figures of speech.

5. Prior Consultation

The greatest crisis in Japan-U.S. relations exists when a situation stipulated in Article 6 of the Japan-U.S. security pact arises. It is a situation that occurs during a Korean emergency where, "in order to contribute to Japan's security and to the maintenance of international peace and security in the Far East, the United States and its Army, Navy, and Air Force are permitted the use of facilities and areas in Japan." There is the fear that, at the Japan-U.S. security council established on the basis of the official documents exchanged between (Prime Minister) Kishi and (U.S. Defense Secretary) Herter on 19 January 1960 when the new security treaty was signed, depending on the response by the Japanese side to a proposal by the U.S. Forces for "prior consultation," the obligations of the security pact could be considered to be unfulfilled and a notice of termination of the said treaty could be received from the U.S. side one year later. This is the worst scenario possible in Japan-U.S. relations.

The "subjects for prior consultation" consist of the following three points: 1) important changes in deployment on a division level, 2) bringing in nuclear warheads and ICBM's, and 3) the use of facilities and areas in Japan as bases for direct combat operations. In a case where UN sanctions against North Korea are strengthened and the U.S. Forces in Japan prepare for military action, the "prior consultation" becomes an actualized policy task for the first time.

Although Japan may be able to reply "no" concerning the bringing in of point 2, it has an obligation to instantly reply "yes" to point 1 regarding increased support on a division basis and to point 3 regarding the use of "facilities and areas" as direct combat action bases. Moreover, the concept of "facilities and areas" has not yet been defined between Japan and the United States, and the problem exists in different ideas being held by the allies. The U.S. side considers the use of all ports, harbors, and airfields as "facilities and zones," whereas the Japanese side interprets it to mean bases provided to the U.S. Forces in Japan such as Yokota and Atsugi. Japan also gives ambiguous explanations during Diet deliberations. Moreover, no bases for the U.S. Forces in Japan exist on the Japan Sea coast. Consequently, in case of a Korean emergency situation, U.S. Forces will probably request permission to use airfields and ports/

harbors on the Japan Sea coast. In such a case, it is important for Japan to conduct "prior consultation before prior consultation" by recognizing the so-called 2-4b" clause, or the use of "SDF bases controlled by the SDF and used by the U.S. Armed Forces" as stipulated in the positional agreement, Article 2, Paragraph 4b, based on the Japan-U.S. security treaty, but excluding purely private seaport and airfield facilities.

Also, in a Korean emergency, the U.S. Forces will probably request ad hoc provision of aircraft fuel, equipment parts, medical supplies, and ammunition from the Japan side. However, according to the current goods control act and national assets act under the jurisdiction of the Finance Ministry, temporary loan of SDF-controlled goods and national assets to the U.S. Armed Forces cannot be permitted. Consequently, it is necessary to follow NATO's example and create a "goods accommodation agreement" concerning the provision of goods to the U.S. Forces in Japan.

6. Measures To Cope With Incidents Similar to MiG-25 Defection

With an intensified crisis in the Korean peninsula, forced landings at the Omura airfield by MiG-23 pilots of North Korea's Air Force seeking political asylum and defections by crew members aboard naval reconnaissance craft to Tsushima, similar to the MiG-25 defection, can be expected. In the past, the Japanese Government had consistently denied asylum to political defectors in principle, based on the spirit of pacifism avoiding international conflicts. In cases of political defection, it has routinely settled the incidents by finding acceptor nations such as the United States, West Germany, Taiwan, or South Korea through diplomatic channels and by deporting the defectors to their desired destinations. It will be necessary in an emergency situation in the Korean peninsula to also determine its basic posture as to whether it will maintain its basic policy of denying political asylum, or whether it will accept the defectors.

7. Boat People Policy

When tensions rise and economic conditions deteriorate due to economic sanctions, it is conceivable that political refugees or masses of starving refugees will secretly leave North Korea by fishing vessels and small craft as boat people and drift ashore to the prefectures in northern Kyushu and the San-in region, seeking protection. A serious problem of crisis control looms in that, some day, hundreds and thousands of boat people will be seen drifting ashore.

Great uncontrollable chaos will occur unless the government displays a clear policy of coping with the mass influx of refugees to on-site employees of the Maritime Safety Agency, the Police and the Immigration Bureau. Will it stop them at sea and prevent them from landing? Will it make them land on an uninhabited island where they will be quarantined, and will the island itself be

used as a camp to protect them as the Hong Kong Administration Agency does? Or will it arrest them on suspicion of illegal entry, detain them at the existing Omura internment camp (capacity: 1,500) and deport them after negotiating with the government concerned? Or will it recognize them as war refugees from a humanitarian standpoint, build accommodations and provide them with social welfare protection? It will be necessary to determine a general policy of deterrence, arrest/deportation or protection as a link in the countermeasures regarding the Korean peninsula crisis.

8. Minesweeping Duties

Based on the UN Security Council resolution, sanctions including a sea blockade, boarding/inspection, and capture could be carried out, and mine-laying by North Korea could be expected as a retaliatory step. If the Security Council asks Japan for minesweeping by its SDF minesweeper fleet, it will be necessary to be prepared to comply with or refuse the request. As for minesweeping, there was a precedent after the Iran-Iraq war when six minesweepers were dispatched to clear the Persian Gulf as peaceful duties under Article 99 of the SDF Law "within the framework of the Constitution." Although there is the possibility of minesweeping within North Korean territorial waters, ports, and harbors that infringes on the ban against "the dispatch of forces overseas (sending armed forces to foreign territorial land, sea, and air for the purpose of using armed force)," minesweeping on the open seas is judged to be permissible based on the cabinet's political judgment.

9. Hospitalization and Medical Care for Wounded Soldiers of the Multinational Forces and U.S. Forces

In this case also, from the standpoint of the Japan-U.S. security treaty and the spirit of the UN Charter's Article 43, Japan as a summit nation contiguous to the Korean peninsula and desiring to become a permanent member of the UN Security Council probably will not be allowed to deny provision of rescue transportation, hospitalization, and medical care to wounded soldiers. However, the emotional resistance among the private medical-care institutions continues to be strong, and it is important to conduct adequate prior spadework and to designate national, government, and public hospitals in a number of sites, and to study and prepare the provision of medical care in specific hospitals.

10. Measures Against Infiltration by Terrorists, Guerrillas, and Intelligence Agents

Among the 1.1 million North Korean military troops is a category of 100,000 special troops called the "special corps." In a crisis in the Korean peninsula, the special corps camouflaged as South Korean soldiers are expected to infiltrate into the South and evolve terrorist/guerrilla operations to harass the rearguard. During the Pak Chong-hui administration, a platoon of the special corps wore ROK uniforms, planned a raid on the presidential Blue House and were all shot to death. These

terrorist elements will undoubtedly use the infiltration and escape routes of the North Korean intelligence agents, the support underground and safe houses (hide-outs) to infiltrate into Japan with a strong possibility of evolving destructive activities against U.S. Forces bases, SDF bases, power-generating plants, and railroads. It is necessary for the National Police Agency, the Public Security Investigation Agency, and the Immigration Bureau to cooperate in establishing a system for prevention, suppression, and arrest. The lead agent will probably be the cabinet security office.

As the foregoing outline review indicates, there are numerous concrete matters to be included in the crisis management manual. Such crisis management measures cannot be adequately handled by the vertically arranged bureaucratic procedures with "an emphasis on precedents." It is desirable for the prime minister to use the coordinating functions under Article 12 of the Cabinet Law to fully mobilize the five cabinet offices centering on the chief cabinet secretary, and to assume political leadership in promoting National Security Council-related Diet discussions and general security conferences periodically after cabinet deliberations.

ROK-Japan Forum on 'Sharing' Historical View

OW2708123894 Tokyo KYODO in English 1030 GMT
27 Aug 94

[Text] Tokyo, Aug. 27 KYODO—Japanese and South Korean scholars, politicians and business executives have agreed at a forum on the need for the two countries to share a proper historical view, the chairmen of the forum said Saturday [27 August].

Participants in the second Japan-Korea forum which ended Friday also agreed that it is necessary for the two countries to increase exchanges, said Japan's chairman, Hisashi Owada, ambassador to the United Nations, and South Korea's chairman, Pae Chae-sik, a Seoul university professor.

The chairmen told a press conference in Tokyo on Saturday that the third forum to be held in South Korea next year, the 30th anniversary of the normalization of relations between the two countries, will shape substantial proposals to the governments of the two countries aimed at establishing a "future-oriented" bilateral relationship.

The forum began Wednesday in Tokyo and continued until Friday at a guesthouse of the Federation of Economic Organizations (Keidanren) in Oyama, Shizuoka Prefecture, in central Japan.

During the three-day forum, the participants discussed such issues as the roles of Japan and South Korea in the Asia-Pacific security, bilateral cooperation in fostering the region's prosperity, and bilateral educational and cultural exchanges.

On the controversial issue of lifting a ban on Japanese-language popular culture in South Korea, the participants said the time was not ripe for lifting the ban because of still bitter feelings in South Korea toward Japan's colonization of Korean peninsula between 1910 and 1945.

Pae said he hopes to include in proposals at next year's forum a scholarship project for Japanese students who wish to study history in South Korea, while Owada proposed a plan to promote South Korean school excursions to Japan.

The Japan-Korea forum was established based on a 1993 agreement between then Japanese Prime Minister Morihiro Hosokawa and South Korean President Kim Yong-sam.

Tokyo To Send 300 SDF Personnel To Rwanda

OW3108085794 Tokyo KYODO in English 0815 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japan will send some 300 Self-Defense Forces (SDF) personnel to Zaire and Kenya in September and October under the UN Peacekeeping Cooperation Law to help Rwandan refugees for six months, government officials said Wednesday [31 Aug].

In a Zaire town of Goma, the troops will provide medical assistance and water, and set up camps for rwandan refugees who fled from civil war, and in the Kenyan capital of Nairobi they will assist in transporting relief goods.

The cabinet of Prime Minister Tomiichi Murayama will officially decide on the detachment plan Sept. 13.

Following a forerunner to be sent in mid-September, two core troops will leave for Africa at the end of September and mid-October respectively, the officials said.

The government decided to send the SDF troops based on a report submitted Wednesday by a fact-finding mission that surveyed the possibility of Japan's peacekeeping operations in central Africa.

The mission, led by Ryuichiro Yamazaki, deputy director general of the Foreign Ministry's Foreign Policy Bureau, returned Tuesday and visited Murayama at his official residence Wednesday afternoon.

The report recommends the SDF members carry small arms for self-defense to cope with poor security conditions in the refugee camps, the officials said.

The government will continue considering a suggestion that Japan send SDF personnel to Rwanda itself, in view of the UN Peacekeeping Cooperation Law, which does not permit SDF troops to be involved in UN-led peacekeeping operations in a country that has no cease-fire accord among warring factions.

Japan has so far sent SDF troops to Cambodia and Mozambique following enactment of the law in 1992.

Taiwan Wants Murayama to Avoid Visiting PRC

OW3108090894 Tokyo KYODO in English 0838 GMT 31 Aug 94

[Text] Taipei, Aug. 31 KYODO—Taiwan's Premier Lien Chan and Foreign Minister Chien Fu on Wednesday [31 Aug] urged Japanese Prime Minister Tomiichi Murayama to give up a planned visit to China around Oct. 10, Taiwan's national day, a Japanese legislator said.

They conveyed their request in talks in Taipei with a group of Japanese legislators who included Kisaburo Tokai of New Party Sakigake [Harbinger], the smallest of Japan's three ruling parties.

It "is not desirable" that Murayama's schedule for a trip to China would occur at the same time as "double tenth," founding day of the nationalist government in Taiwan, Tokai quoted the Taiwan leaders as saying.

Tokai said he will inform Murayama of Taiwan's concerns.

A Japanese Government source earlier said Murayama is considering a visit to China around mid-October.

Chien reportedly hailed Sakigake's political principle to "eradicate militarism." Talks with Lien focused on Taiwan's huge trade deficit with Japan, which has soared to 15 billion dollars, and other economic issues, Tokai said.

The legislators are scheduled to meet with Taiwan President Li Teng-hui on Thursday.

Sakigake's seven-member delegation is in Taipei since Tuesday as guests of the Taipei Economic and Cultural Representative Office, formerly known as the Association of East Asian Relations, Taipei's representative office in Japan.

Tokyo, Paris To Hold Science, Technology Symposium

OW3108085294 Tokyo KYODO in English 0819 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japanese and French Government officials will attend a symposium in Tokyo next Tuesday [6 Sep] and Wednesday to discuss cooperation in science and technology [S&T], the Foreign Ministry said Wednesday.

The participants are expected to discuss bilateral cooperation in the science and technology field as well as relations between science and society, the ministry said.

Makiko Tanaka, director general of the Science and Technology Agency, and officials from the ministries of foreign affairs, education, and transport are among those from the Japanese delegation.

Francois Fillon, minister for higher education and research, will head the French team.

The two countries agreed to hold the symposium at a high-level meeting in May on cooperation in science and technology.

Dumping Charges Against Pakistani Yarn Dropped

OW3108063494 Tokyo KYODO in English 0508 GMT 31 Aug 94

[Text] Islamabad, Aug. 31 KYODO—The Osaka-based Japanese Spinners Association has withdrawn charges of dumping against Pakistani yarn exports to Japan, an official of the Ministry of Commerce said Wednesday [31 August].

But the Japanese association and relevant authorities have said they will constantly monitor the yarn imports, to ensure that the interests of the Japanese spinners are protected and no dumping of cheap Pakistani yarn takes place in the Japanese market.

While the Japanese association had demanded dumping duties be imposed on Pakistani yarn imports, Pakistani yarn exporters had imposed a voluntary monthly ceiling on their exports to Japan.

The charges of dumping were filed by the spinners' association last year when Pakistan had a bumper cotton crop and there was a glut in the yarn market.

Japan is the biggest importer of Pakistani yarn and the Japanese spinners have often accused their Pakistani counterparts of dumping, because of a subsidy provided through rebates and other factors.

Japanese Nationals Urged To Leave Algeria

OW2908045394 Tokyo KYODO in English 0445 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—The Foreign Ministry on Monday [29 August] issued a travel advisory urging Japanese nationals in Algeria to leave the volatile North African country.

The latest notice follows a travel advisory last October which advised Japanese not to visit Algeria and called on Japanese nationals already in the country to leave, Foreign Ministry officials said.

The ministry issued the new advisory after tensions had been heightened by the murders in Algeria since May of a Russian engineer, a French diplomat and a number of other foreigners.

Reports Related to Japanese Aid, Grants

Egypt: 65 Million Yen

OW3108091294 Tokyo KYODO in English 0839 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japan will grant Egypt up to 65 million yen to help it increase food production, the Foreign Ministry said Wednesday [31 Aug].

Japanese Ambassador to Egypt Kunio Katakura and Yusuf Butrus- Ghali, Egyptian Minister of State at the Council of Ministers for International Cooperation, signed documents on the Japanese assistance in Cairo earlier in the day, the ministry said.

Japan will provide fertilizers and agricultural chemicals and equipment to help Egypt's program to boost production of grains in the central delta region, it said.

About 96 percent of Egypt's land is desert and only 2.3 percent of the land in Egypt can be used to grow crops.

Niger: 5 Million Yen

OW2908044294 Tokyo KYODO in English 0411 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—Japan will provide Niger with 50,000 dollars, or 5 million yen, in emergency aid to help it recover from the effects of many weeks of heavy rains and floods, the Foreign Ministry said Monday [29 August].

The government will also give Niger emergency relief goods such as tents and blankets, worth 12 million yen, it said.

According to the ministry, 33 people have died in Niger as a result of the torrential rains that began in late July. About 27,760 people have lost their homes.

The rains and floods have also caused extensive damage to buildings, roads, bridges and wells, it said.

Indonesia: Aluminum Project

OW3008055694 Tokyo KYODO in English 0535 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—The government said Tuesday [30 August] Japan will provide financial assistance to Indonesia to help restart a stalled joint aluminum manufacturing project in the Southeast Asian country.

The joint scheme launched in 1975 has been stalled due to falling aluminum prices and increasing financial burden on the Indonesian side.

Japan will lower interest rates on its lending extended to the Indonesian Government for the project—from 5.0 percent to 4.1 percent for the portion provided by the Export-Import Bank of Japan and from 5.3 percent to 4.4 percent for loans from private financial institutions.

The joint venture's capital will be expanded by 13 billion yen, of which the Japanese side will put up 7.66 billion yen and Indonesia 5.34 billion yen, the government said.

The rehabilitation program, totaling 411 billion yen, is intended to secure a stable aluminum supply to Japan in addition to promoting friendship between Japan and Indonesia, the government said.

The joint project calls for annual primary aluminum production of 225,000 tons.

Chile: 1.16 Billion Yen

OW2908233094 Tokyo KYODO in English 2305 GMT 29 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Japan will extend Chile a grant-in-aid totalling 1.16 billion yen over two years to help the country finance a project to build a market for marine products, the Foreign Ministry said Tuesday [30 August].

Chilean Foreign Minister Carlos Figueroa Serrano exchanged documents on the Japanese aid with Japanese Ambassador to Chile Akira Sugino in Santiago on Monday, the ministry said.

The project is aimed at building a new wholesale market for marine products in Santiago since the existing one, the only such market in Chile, has become too old and also is not sanitary, it said.

Japan disbursed about 365 million yen for the project in 1993.

Further Reports on Issues Related to Tax Reform

MOF on Coalition Leaders' Remarks

OW3008232594 Tokyo MAINICHI SHIMBUN in Japanese 30 Aug 94 Morning Edition p 9

[Text] The Ministry of Finance [MOF] is puzzled by contradictory remarks made by ruling coalition party leaders on the issue of whether to treat tax cuts and tax hikes as a single package or deal with them separately. These leaders have been observed to make remarks, the true intentions of which are hard to decipher. For example, on 28 August, Prime Minister Tomiichi Murayama remarked abroad: "I will not necessarily insist on including tax cuts and hike in a single package," while on the next day, Chief Cabinet Secretary Kozo Igarashi "vindicated" the prime minister's remarks, saying: "There is no change in plans to strive to finalize tax cuts and hike in a single package by the end of the year."

Anyhow, what exactly does it mean to treat tax cuts and hike in a single package? MOF officials feel that, "depending on the context in which the remarks are made, they can be interpreted in different ways: for example, whether a remark means that tax cuts and hikes are to be included in a single package of tax reform bills, or whether it means that debates are to be held with tax cuts and hike considered as a single issue," (as stated by a Tax Bureau official). In this way, MOF officials indicate they intend to determine the true meaning of such remarks by taking into consideration the context in which they are used. Still some officials complain: "Too many remarks have been made in which it has not been

clarified as to what exactly is to be treated in a single package and what is to be treated separately."

The ruling coalition parties' tax system reform project team (ruling parties' tax commission) plans to come up with a final decision by 13 September. Although there are views that "the meaning of words will be agreed on" by then, it is certain that dissatisfaction against the ruling parties is gradually mounting.

Finance Minister Masayoshi Takemura, on whom bureaucrats at the MOF rely, seems to be ostensibly insisting on treating tax cuts and hike as a single package in reaction to senior ruling party officials' indecisive remarks. However, under close inspection, the only time that Takemura confirmed in his remarks about the MOF's policy "to include tax cuts and hike in a single package of tax reform bills" was during his appearance in a television program aired in early August. Takemura, himself, has grumbled: "In making comments, I have taken into consideration my position as the chairman of the Sakigake [Harbinger] and as the finance minister, depending on the circumstance. However, this is quite a difficult matter."

Amidst the current political situation, there can be heard irritated voices in some quarters of the MOF, saying: "Maybe it is simply because they do not want to undertake tax reforms with tax cuts and hike treated as a single package that so many ambiguous remarks have been made."

Possible Relief for Insurance Premiums

OW3108011394 Tokyo KYODO in English 0041 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—The deduction of life insurance premiums from taxable income may be abolished under a tax reform platform being considered by the ruling coalition's working panel on tax reform, a senior coalition official said Wednesday [31 August].

Under a special tax measure, life insurance policyholders are allowed to deduct paid premiums of up to 50,000 yen a year from their taxable income.

The measure is designed to promote life insurance for the Japanese people, but the official said the aim has been attained given that more than 90 percent of households now have life insurance policies.

The tax relief measure now serves to promote savings rather than to prompt consumption, he said.

Deductions of life insurance premiums and private pension premiums from taxable income cost 302 billion yen in tax revenues a year, of which an estimated 80 percent is attributed to the deduction of life insurance premiums.

The revenue lost from the deduction of life insurance premiums is the third largest among income tax deductions, following 548 billion yen for housing loans and 274 billion yen for interest paid to depositors aged 65 or older.

The coalition official said members of the working panel are in general agreement to maintain the deduction for private pension premiums because they accounted for only 22.9 percent of total households as of fiscal 1991.

Editorial Urges Aggressive Tax Reform

942A0606A Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Aug 94 p 2

[Editorial: "Coalition Should Take Aggressive Stance on Tax Reform"]

[Text] The ruling coalition parties will start a full-scale debate on tax reform this week. We have consistently advocated a fundamental reform of tax systems based on a modification of the direct and indirect tax ratios, the advance implementation of income tax cuts, and the "principle of tax revenue neutrality" calling for tax cuts offset by tax increases, but we would like to use this opportunity to explain our rationale and present our wishes to the ruling coalition.

First, we would like the ruling coalition to return to the basics of tax reform and deal aggressively with the issue. One may question the need for such an approach at this late stage, but when one listens to the controversy emanating from the ruling coalition parties, he cannot help but make mention of the need to do so.

As is widely known, the prevailing approach in the Hosokawa and Hata governments called for a "net increase in tax revenue" policy to strengthen the tax revenue base by implementing a consumption tax increase which provided revenue increases exceeding revenue losses resulting from an income tax cut.

However, ever since the inauguration of the new government, debate has centered on efforts to restrain the size of the tax increase. If such debate were totally logical, we would like to concur, but unfortunately there are aspects which regrettably defy logic.

Debate that attacked the shortcomings of a net increase in taxes on the part of former governments has been pretty much limited to the administrative reform concepts of Sakigake [Harbinger] new party, which proposed the privatization of 22 special corporations including the Teito Rapid Transit Corporation. Remaining debate is of a careless nature which purports that it would be acceptable if the proposed consumption tax rate hikes can be minimized, reflecting awareness that a general election is pending.

As an example, certain segments of the Social Democratic Party of Japan are speaking quietly about implementing tax cuts in two parts. One argument calls for dividing cuts in taxes beginning next year to one segment which calls for a fixed rate for cuts and a second segment which calls for a reduction in the progressive curve, and to use consumption tax increases to offset only the latter. However, if such an approach is adopted, we will lose the significance of fundamental tax system reform calling for

modification of excess dependence on income taxes as a means to respond to an aging society.

Further, it appears that arguments are gaining strength for the separation of tax cut and increase actions even among members of the Liberal Democratic Party [LDP]. The special tax cut implemented this year will be converted to a formal tax cut beginning next year, but the arguments call for handling the consumption tax increase as a separate issue. In other words, the arguments purport that there is no need to insist on a combined package of tax cuts and hikes which provide for legislation that covers a formal income tax cut and a concurrent future consumption tax hike along with specified dates and rates for the changes.

When we consider the fact that we have not yet overcome the continuing long-term recession, labelled as the worst for the postwar period, we note some persuasiveness in the argument to handle the tax increase and decrease actions as separate packages, but if we completely separate the two actions, we could abort efforts at tax reform which had somehow taken shape as a fixed rate reduction. If that happens, we will run into another major delay in responding to the issue covering the aging society. We should in any case make this year's fixed rate reduction in taxes a major premise of fundamental tax reform.

The second point we need to make is that we must not limit our debate on tax system reform to tax system theories.

Although often mentioned, the days for "catching up and surpassing" the competition ended in the 1980's. There is a need to engage in a diversity of future debate such as what sort of society are we going to conceptualize and what course of action must we take to realize our societal goals?

Issues pertinent to debate on the pending tax system reform include the issue of how to cope with the imminent aging society; the issue of how to allocate the cost of an aging society among the public, the government and private industry; the issue of covering costs in the form of premium payments or taxes; the issue of sources of revenues to cover infrastructure investments to create a new society; and the issue of actions to be taken to stabilize an economy based primarily on domestic demand.

Not only are these issues impossible to resolve on the basis of tax system debate alone, but assuming such an approach would be very dangerous. This fact can be easily seen by viewing the evolution of debate starting with the period immediately following the establishment of the Hosokawa coalition government and ending with the submission of the government's Tax Commission report at the end of June 1994.

During that period, debate was conducted under the leadership of the Ministry of Finance [MOF]. It need not

be mentioned but bureaucrats attempt to dispose of matters within the scope of the authority of their functions. The MOF which shoulders the responsibility for fiscal management, would probably wish to effect a major improvement in the health of the fiscal situation by seeking the maximum possible tax increase.

In the "mechanical estimate" based on the net tax increase policy enunciated in the government Tax Commission report of June, a social security expense estimate based on an estimate of the "21st Century Social Welfare Plan" was used, but this is a phenomenon of the foregoing MOF stance. Moreover, the premise which calls for using tax revenues to pay for all increases in the public burden estimated under the Social Welfare Plan suggests the need for a net tax increase. This is a logical approach if an attempt were to be made to resolve the issue within the scope of MOF functions.

Now is not the time to debate tax systems from a purely tax viewpoint. Not only an effort involving the MOF itself but all concerned ministries and agencies is required, and of decisive importance is a debate conducted from a broad political perspective.

As a third point, we would like to reemphasize the high degree of logic and reality inherent in tax reform based on "tax neutrality" which has been advocated by us for some time.

The three principal reasons for this statement are: 1) The pending tax reform should be limited to the objective of establishing a tax revenue base. 2) We have not established a complete picture of future fiscal increases centered mainly around social security expenditures. 3) Fiscal spending cuts based on administrative and fiscal reform are still uncertain.

Cuts in income taxes will result in revenue decreases of 6 trillion yen or 5.4 trillion yen based on this year's fixed rate tax cuts, calling for offsetting increases at the most of 2 to 3 points or a consumption tax rate of 5 or 6 percent.

In this connection, this fiscal year's budget visualizes an estimated income of 2.4 trillion yen for each one percent in consumption taxes. If the economy should recover, revenues for each one percent in consumption taxes should rise. At the earliest a consumption tax increase will probably not take effect until the spring of 1997.

Since the current special income tax cut is limited to this year, the time available for dedication to tax reform is very limited. If we are unable to determine a consumption tax rate now, we should devise a method by which to stipulate the implementation of a consumption tax hike based on the principle of "tax revenue neutrality." Such an approach will provide for the establishment of a course of action to accommodate tax reform.

Power Firms Actively Expand Overseas Purchase

OW3008234894 Tokyo MAINICHI SHIMBUN in Japanese 28 Aug 94 Morning Edition p 9

[Text] In a bid to reduce production costs, major electric power companies, such as Tokyo Electric Power Co., have been actively making efforts to expand their overseas procurement of materials. Several companies have already participated in seminars held in France and Britain. Twelve companies—Electric Power Development Co., Japan Atomic Power Co., and 10 electric power companies—will take part in a seminar scheduled in the United States in September.

The U.S. Trade Representative (USTR) Office pointed out in last April that the electric power industry's procurement of materials from overseas is insufficient. In response, in their fiscal year [FY] 1994 facility improvement plans, electric power companies vowed to increase overseas purchases, which totalled about 70 billion yen [Y] in FY 1993, to about Y120 billion (as a total of 10 companies).

Tokyo Electric Power Co. President Hiroshi Araki said: "In past surveys, we found 19 new items that are purchasable in terms of technology and prices. If those materials are introduced, production costs will be reduced by about Y5 billion." Tokyo Electric Power Co. believes that overseas procurement will increase by Y1 billion in FY 1994 and 1995. A drop in the prices of domestically made products is expected thanks to competition with foreign-made products. Thus, there will be great merit in overseas procurement.

Chubu Electric Power Co. plans to spend about Y33 billion on materials from overseas in FY 1994. It said that "production costs dropped by about 10 percent" through overseas procurement in FY 1993. In FY 1995, Kansai Electric Power Co. plans to import a steam generator for Mihama Nuclear Power Station's first reactor, as well as parts to be used for an extension project for its thermoelectric power station in Himeji Prefecture. Those companies intend to increase overseas procurement in the future.

Nihon Plast Company To Boost Airbag Production

942A0587A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 14 Aug 94 p 7

[Text] Nihon Plast, whose stock is traded in the over-the-counter market, will increase its airbag production capacity by 50 to 75 percent within the year. Automotive producers are in the process of increasing airbag installations and the firm anticipates increased demand. Airbags are one of the few growth items among auto parts and it appears all airbag makers will expand production.

The firm makes airbags at its Fujimiya plant located in Fujimiya city, Shizuoka Prefecture. It presently has four production lines, including forming machines, but will

install two or three more production lines. The investment will cost 100-200 million yen.

If demand should grow even more, it contemplates production of airbags at its steering wheel production plant located in Shinyoshitomi village, Fukuoka Prefecture. The reason is that the firm has a plan to relocate a part of the steering wheel production operations to its Indonesian plant.

Airbags are a device that protects the heads of drivers and passengers by automatically expanding into a cushion upon impact. Although an optional item in the majority of newly manufactured vehicles, Nissan Motors, the firm's principal customer, recently decided to install them on all passenger and recreational vehicles as standard equipment. There is a movement for all automakers to increase air-bag installations in response to heightened user awareness of car safety features.

Nihon Plast is a Nissan-affiliated major producer of airbags and produces airbags designed for use by drivers. Recurring earnings for the fiscal year ending in March 1994 were roughly unchanged from the prior fiscal year and reflected firmness in comparison with major declines on an industry-wide basis for automotive parts makers in general.

Leaders in Personal Handphone System Viewed

942A0615A Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 94 p 9

[Text] Nippon Telegraph and Telephone (NTT) continues to be troubled by the course of action to be taken in commercializing its personal handyphone system (PHS) project. It is considering the two options of either making PHS a part of its NTT Mobile Telecommunications Network (NTT Dokomo) or making PHS a separate subsidiary, but President Hitoshi Kojima, who had publicly promised "to make a decision before the summer holidays," appears to have delayed the decision considerably. The other two competitors including Dainidenden (DDI) have already announced the establishment of planning-stage companies and it appears that NTT will fall behind the other firms in the important initial public image-building stage.

NTT has delayed its decision because both the NTT Dokomo and separate subsidiary concepts have advantages and disadvantages and it is having difficulty in reaching a decision.

Commercializing PHS through NTT Dokomo provides the foremost advantage of facilitating the commercialization of PHS by using the sales and maintenance systems already existing for cellular systems. However, since cellular telephone and PHS customers will overlap, joint operations may lead to confusion.

Establishment of a new subsidiary provides for a clear-cut direction and specialization in PHS and for the establishment of many new executive positions such as

regional president positions for an estimated 10 new regional subsidiaries. Comparatively speaking, manpower reductions in the parent NTT have created a situation in which a new subsidiary approach would be advantageous in providing for more jobs. However, the new subsidiary approach will require the assumption of greater risks for capital investments and some difficulty in maintaining a healthy financial status.

Another factor facing NTT is its relative lack of experience in engaging in new commercial projects through subsidiary operations. The two principal subsidiaries of NTT, NTT Dokomo and NTT Data Communications, were initially developed on a long-term basis as part of the parent company and then later spun off into subsidiaries. Implementing NTT's PHS project with a separate subsidiary from the very beginning will require commercialization of PHS and initiation of a new subsidiary from point zero.

The other two groups have already initiated actions on their programs. DDI established a planning-stage company in July and the 10-company alliance of Tokyo Tsushin Network, Nippon Telecom, and others announced in the beginning of August that they will establish a planning-stage company in September. If NTT, despite its overwhelming stature and expertise, delays its initiation of PHS projects, the other two competing groups could well enjoy the benefits of assuming the initiative in embarking on their PHS projects.

Revitalization of Regional Industries Urged

OW3108114594 Tokyo KYODO in English 1112 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—A government report has urged steps to be taken to revitalize regional industries in an effort to prevent them from shutting down, government officials said Wednesday [31 Aug].

The report compiled by the National Land Agency urged the establishment of international small-and medium-size firms that have the capacity of meeting different market demands.

It also said regional factories should be upgraded and armed with management and research functions.

These firms should work together so that a compound industrial base is created, the report said.

The report was based on a survey that showed many companies fear that the strong yen and the economic slump will force the closure of regional plants and that new companies will not settle in regional areas.

Other proposals in the report include easing of rules for stock listing and of regulations on land use.

It also said more job information should be made available to prompt people to find work in their home town.

Rice Crop Index Shows 'Rather Good' Harvest*OW2908100994 Tokyo KYODO in English 0946 GMT
29 Aug 94*

[Text] Tokyo, Aug. 29 KYODO—The rice crop index for 1994 stood at 105 against the 100 of an average year as of August 15, showing a "rather good" harvest, the Ministry of Agriculture, Forestry and Fisheries said Monday [29 August].

Rice harvest per 10 ares is projected to reach a record high 524 kilograms, the ministry said.

The good crop is a turnaround from last year's postwar low due to the unusually cool, rainy summer, with the crop index at 74.

This year's rice harvest will be pretty good for the first time in eight years, unless the weather changes suddenly or an extreme drought occurs, the ministry said.

A private data bank specially monitoring rice harvest, however, note a fear of an excess harvest, saying the overall crop may top 12 million tons this year partly because of eased restriction by the government on rice acreage.

Rice market watchers said supplies have already shown some excess on the market and import rice inventory has been seen increasing.

Meanwhile, Japan is scheduled to open its market for foreign rice in line with an agreement reached in the Uruguay Round of global trade talks last year.

The farm ministry plans to introduce a rule to maintain 1.5 million tons of rice stockpile a year under the planned reforms of the food control system.

But the market watchers say this year's rice harvest will give the government more than the stockpile level.

They said the Finance Ministry is concerned about the financial burden for excess rice storage, but the ministry should also think about possible price declines in grain due to the oversupply this year.

According to the farm ministry, as of August 15 the rice crop index stood at over 106—meaning "good"—in 15 prefectures with Kagoshima at the top with 110. The index was 102-105—"rather good"—in 31 prefectures.

The drought this summer has damaged rice fields in some regions, but the lowest index registered was 101 in Okinawa, better than a usual year, the ministry said.

A ministry official said rice growth has been one to two weeks faster than in a usual year thanks to high temperatures and good sunshine.

Reportage Concerning Employment Situation**MITI Chief Concerned***OW3008033294 Tokyo KYODO in English 0315 GMT
30 Aug 94*

[Text] Tokyo, Aug. 30 KYODO—International Trade and Industry Minister [MITI] Ryutaro Hashimoto on

Tuesday [30 August] voiced concern about further deterioration in the nation's job market.

"The situation is still severe...I am very concerned about the higher unemployment rate," Hashimoto told a press conference.

The Labor Ministry announced earlier in the day that Japan's jobless rate rose to a seven-year high of 3.0 percent in July from 2.9 percent in the previous month, matching the second worst record in the postwar period.

As one way to create new jobs, Hashimoto said, more temporary workers should be employed via personnel agencies.

By deregulating the manpower industry, "a significant amount" of new employment could be created in Japan, Hashimoto said.

Hashimoto criticized as not enough a budget request made by the Fair Trade Commission (FTC) for fiscal 1995 to strengthen its functions.

The FTC's personnel increase being sought in the request is equal to the level allocated in the current year.

Hashimoto said, "I feel pity if next year's staffing request is so small."

"Does the FTC really think it can cope with various antimonopoly problems expected to increase in the near future, with the current level of personnel?"

On the prospect for an early breakthrough in the trade "framework" talks with the United States, Hashimoto repeated his stance, saying, "I am neither optimistic nor pessimistic."

"I will just do my utmost during a series of coming meetings with U.S. trade officials," he said.

Hashimoto is scheduled to meet U.S. trade representative Mickey Kantor and U.S. Commerce Secretary Ron Brown in Washington in early September, before attending a three-day quadrilateral trade ministerial conference slated to open in Los Angeles on Sept. 9.

On the controversial issue of Japan's bid to become a permanent member of the United Nations Security Council, Hashimoto said, "I will refrain from personally commenting on it."

A government task force to be created soon will take care of the matter, Hashimoto said.

Hashimoto previously made remarks in favor of Japan's becoming a Security Council permanent member.

'Tough Situation' To Continue*OW3008040394 Tokyo KYODO in English 0341 GMT
30 Aug 94*

[Text] Tokyo, Aug. 30 KYODO—Labor Minister Manso Hamamoto said Tuesday [30 August] the latest monthly

unemployment data represents "a severe figure" and he expects the tough situation to continue for the time being.

Hamamoto made the remark at a regular press conference after the government reported that the nation's jobless rate in July climbed to a seven-year high of 3.0 percent to match the second-highest level in the postwar period.

Pointing to a tendency for employment figures to lag about half a year behind the real economic situation, Hamamoto said that even if the economy is improving right now, it will not be reflected in employment data until some time later.

Hamamoto went on to say that he will put emphasis on helping people out of work to find jobs.

Commenting on the jobless figures, Chief Cabinet Secretary Kozo Igarashi echoed Hamamoto in projecting a continuously bleak outlook for Japan's labor market.

"The jobless rate is a lagging indicator, so the labor situation will be severe for the time being even if the overall economy picks up," he said at a press conference held after the morning cabinet meeting.

Besides the high unemployment rate, the ratio of job offers to job seekers in July dropped 0.01 point to 0.62, which means that there were only 62 job offers for every 100 seekers.

Igarashi also said that he has told the Labor Ministry to augment its efforts to improve the labor situation.

The ministry so far has taken measures to help firms maintain their workforce and to help dismissed workers find jobs.

Jobless Rate Highest in 7 Years

OW3008025694 Tokyo KYODO in English 0201 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Japan's unemployment rate in July rose to a seven-year high of 3.0 percent, matching the second worst record in the postwar period, the Management and Coordination Agency said in a preliminary report Tuesday [30 August].

The jobless rate, which followed 2.9 percent in June and 2.8 percent in both May and April, reflects the "continued weak economic picture," an official at the agency said.

The highest postwar jobless rate is 3.1 percent in May 1987. The second highest is 3.0 percent set in January and June of the same year, when the economy was hard hit by the yen's sharp advance against the U.S. dollar.

The number of unemployed came to 1.88 million people, up 18.2 percent or 290,000 from a year earlier.

In a separate report, the Labor Ministry said the ratio of job offers to job seekers in July—a key indicator of labor

demand—worsened 0.01 point from the preceding month to a seasonally adjusted 0.62.

The figure means there were 62 job offers for every 100 job seekers.

For both males and females, the jobless rate stood at 3.0 percent, with a 0.1 percentage point rise from the previous month seen among males and a 0.3 point increase seen among females, the agency said.

The July jobless rate compared with 6.1 percent in the United States and 8.3 percent in the former West Germany.

The number of those who hold jobs declined 0.1 percent in July from a year before for the first year-on-year fall in eight months to 65.16 million, the agency said.

Of those in employment, the number of salaried workers marked the first downturn in more than 16 years, shrinking 20,000 from a year before, apparently resulting from corporate restructuring involving deep job cuts.

Meanwhile, the job-offer-to-seeker rate worsened because job offers, by dropping 1.4 percent, more than offset a 0.8 percent decline in job seekers.

Job offers declined especially sharply in the manufacturing, wholesale, retail and food service sectors, while contractors injected more jobs into the labor market.

The two jobs reports came as a shock, particularly because the economy has just begun to show signs of pickup.

Pointing out that job indicators lag half a year to one year behind other economic indexes to reflect the real state of the economy, some analysts noted the possibility of the labor market further deteriorating.

A management and coordination agency official said, "The jobless rate may top the worst record of 3.1 percent if nothing changes."

A senior labor ministry official also admitted the labor situation is flashing a warning light, describing it as requiring a close watch.

In the 41 years since the indicator was launched in 1953, the jobless rate reached the 3 percent level only three times.

The reports also sparked pessimism among analysts that Japan is following the European trend characterized by chronically high jobless rates.

An official of an unemployment office in Iidabashi, Tokyo, said, "We don't think the labor market will improve in the immediate future, despite bright signals said to be appearing in other fields of the economy."

The official said job offers have been decreasing in particular for the middle-aged and the elderly.

Hiroshi Ikeda, a senior official of the National Confederation of Trade Unions (Zenroren), also saw ominous signs in the latest reports.

"The largest reason behind the precarious labor situation is an offshore shift by companies. If nothing is done, something grave will happen to regional economies," he said.

Further on Increase in Jobless Rate

OW3108082194 Tokyo KYODO in English 0809 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said Wednesday [31 Aug] that Japan's unemployment rate may rise further in view of ongoing downsizing efforts by companies.

Nagano sounded the warning when asked to comment on a government report issued Tuesday that Japan's jobless rate climbed above 3.0 percent for the first time in seven years.

He said he took the figure seriously as a large number of companies are still trying to cut their payrolls.

Nagano said Japan's jobless rate will rise considerably in view of the strong yen and economic deregulation to open the domestic market wider to imports.

Business Slump Reportedly Hitting Bottom

OW3108064294 Tokyo KYODO in English 0622 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Smaller firms have witnessed signs of their business slump hitting bottom, a quasigovernmental financial institution said Wednesday [31 August] in a monthly survey.

Shoko Chukin Bank said in analyzing its August survey that business activities at small- and medium-sized firms "are showing signs of hitting a bottom."

The survey of 800 smaller firms showed that the business confidence index remained around the 50 level for the second straight month, with seven out of 13 industries at the 50 level.

The index stood at 50.0 in August, following 50.1 in July, and a projection for September came to 50.8.

The index compares the proportion of those answering positively and those replying negatively, with a boom-or-bust line of 50.

Replies on sales marked the 30th consecutive month of declines from a year earlier in July, falling 1.1 percent, but nonmanufacturers saw a 0.8 percent rise for the fourth straight increase, the survey showed.

Among other surveyed items, sales prices continued to fall, but deterioration of profitability eased slightly.

Production capacity remained sharply excessive, but inventory improved slightly.

Labor conditions also improved, with firms reporting a shortage increasing among nonmanufacturers, chiefly in the construction industry.

EPA Reports Drop in Retail Prices in Aug

OW2908083594 Tokyo KYODO in English 0813 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—The yen's rise continued to benefit consumers in August, with its advantages spreading steadily to retail prices of imported goods, the Economic Planning Agency reported Monday [29 August].

Of 20 selected items, customs-cleared prices of 16 goods fell from a year earlier in July, up from 13 items in June, and of them, retail prices for 12 items dropped in Tokyo in August, up from 11 in July, the agency said in a monthly report.

"Lower customs-cleared prices on living-related goods are spreading to retail prices," the agency said in analyzing the trend.

The dollar averaged 99.55 yen in July, down 8.0 percent from 108.16 yen a year before, and averaged 99.87 yen in August as of last Wednesday, down 3.7 percent from 103.71 yen.

The 12 retail items that dropped in price were beef, bananas, grapefruit, chocolate, beer, wine, whiskey, dress shirts, brassieres, electric shavers, subcompact cars and golf balls.

Meanwhile, retail prices of shrimps, oranges and tennis rackets rose despite lower customs-cleared prices.

The average price for the 20 reported items dropped 3.5 percent from a year before for the July customs-cleared prices, and fell 3.1 percent for the August retail prices.

The Finance Ministry separately reported that customs-cleared prices for 23 items declined from a year earlier in July among 30 selected items, up from 19 in June.

Of the 23 goods, the ministry said that 13 items posted double-digit declines, up from nine in June.

Tokyo-Area Consumer Prices Decrease in Aug

OW2608013394 Tokyo KYODO in English 0036 GMT 26 Aug 94

[Text] Tokyo, Aug. 26 KYODO—Tokyo-area consumer prices in August were down 0.2 percent from a year earlier, marking a year-on-year fall for the second straight month, the management and coordination agency said Friday [26 August] in a preliminary report. But on a month-to-month basis, the prices showed a 0.4 percent rise for the first increase in three months, the agency said.

The August consumer price index stood at 107.1 against 100 for 1990.

In July, the prices dropped 0.3 percent from a year earlier, down on a year-on-year level for the first time since March 1987.

The continued decline in the consumer prices is attributable partly to recent corporate moves to cut the prices of their products in the wake of a prolonged economic slump. In August, prices of such durable goods as color television sets and other household electric products dropped 2.6 percent and those of textile goods fell 3.6 percent, according to the agency.

The smaller 0.2 percent decline was due to higher prices of fresh fruits such as watermelons and lemons, an official of the agency said.

The record hot weather and severe water shortage in August led to a 1.5 percent year-on-year rise in fresh fruit prices, compared with an 8.0 percent drop in July.

Compared with the previous month, fresh fruit prices rose 16.2 percent, and those of vegetables grew 8.0 percent because of the sultry weather.

An agency official noted that prices of fresh fruits and vegetables usually rise during July, August and September and fall in October, but it is difficult to predict whether the same trend will hold this year due to the unusual weather conditions.

"It all depends on whether the weather cools down a bit during late August when sowing begins," he said.

Excluding fresh foods, consumer prices rose 0.7 percent from a year earlier but fell 0.1 percent from July.

Meanwhile, nationwide consumer prices in July slipped 0.2 percent from a year earlier, down for the first time in seven years and four months since March 1987 on a year-on-year basis. The prices were down 0.5 percent from June.

The 0.2 percent year-on-year decline, following the 0.6 percent rise in June, was mainly due to falling prices of fresh vegetables, the agency said.

Excluding the volatile factors of fresh food, consumer prices were up 0.8 percent from a year earlier and down 0.4 percent from June.

Preliminary MITI Report Examines Rising Sales

OW3108111094 Tokyo KYODO in English 1036 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Commerce sales in Japan edged up 0.4 percent in July from a year before, the first year-to-year rise in two years and three months since April 1992, the Ministry of International Trade and Industry (MITI) said in a preliminary report Wednesday [31 Aug].

Sales of such household goods as air conditioners and fans increased thanks to the hot summer, MITI said.

Sales by wholesalers rose 0.3 percent in the reporting month after a 0.2 percent upswing in June. The June figure marked the first year-to-year growth in 26 months.

Retail sales grew 0.9 percent, registering the first rise in 27 months.

Combined retail-wholesale sales in August may fall again with an expected sales drop in summer items and spreading price declines in the overall market, a MITI official said.

Capital Spending Said Sluggish

OW3008090294 Tokyo KYODO in English 0844 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—Capital spending by small companies was slack in fiscal 1993 and the down-trend is continuing in the current year, the Ministry of International Trade and Industry (MITI) said in a survey report Tuesday [30 Aug].

Combined capital investment by small wholesalers and retailers in fiscal 1993 ended in March decreased 10.8 percent, for the third straight year of decline.

The figure represented a 14.6 percent fall for wholesalers, the largest drop since fiscal 1975, and a 6.6 percent decrease for retailers, MITI said.

Investment by small services-related companies fell 7.4 percent in fiscal 1993 for the third consecutive annual setback. The margin of decline swelled from the previous year's 4.7 percent decrease.

For the current year, combined investment by wholesalers and retailers is expected to slide 18.7 percent according to original spending plans.

Spending by wholesalers will plunge 24.7 percent, the sharpest drop since fiscal 1982's 26.3 percent decline, while that by retailers will decrease 12.6 percent, the biggest downswing since 13.6 percent in fiscal 1984.

Investment by services companies in the current year will fall 14.2 percent.

The MITI survey was conducted on June 1, and canvassed 27,000 small firms.

Industrial Output Falls

OW3108082894 Tokyo KYODO in English 0605 GMT 31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Japan's industrial production turned down in July, dropping 1.7 percent from the preceding month, the Ministry of International Trade and Industry (MITI) said in a preliminary report Wednesday [31 Aug].

The downswing came after a 2.7 percent rise in June.

The seasonally adjusted production index for the mining and manufacturing sectors stood at 90.6 against the base of 100 for 1990, MITI said.

Industrial production has been firming gradually although showing ups and downs in recent months, MITI said.

The ministry forecasts that production in the manufacturing sector will rally 1.6 percent in August but fall 1.3 percent again in September.

Shipments in July dipped 1.2 percent for an index reading of 93.5, following a 4.8 percent growth in the previous month.

The inventory index, which edged down 0.8 percent in June, decreased 3.1 percent to 101.6.

The July inventory-to-sales ratio rose 0.5 percent after a 4.5 percent fall in the previous month, with the index standing at 113.6.

On an unadjusted basis, industrial production in July sagged 0.6 percent from a year before.

Unadjusted shipments for the month grew 1.2 percent.

Harumi Takahashi, chief of MITI's statistics analysis division, said the 1.7 percent downswing in the overall July industrial output stemmed mainly from a decline in passenger car production.

But she said the downswing was revised upward from the originally estimated 3 percent drop.

The downtrend in passenger car output was smaller than expected, reflecting new car registration and brisk demand in the United States, she said.

On the overall assessment of Japan's industrial output, Takahashi said moves toward recovery "advanced a half step" from June.

Personal spending is recovering as claimed by the Economic Planning Agency, but uncertain factors are still gripping the Japanese economy, Takahashi said, citing the strong yen and possible negative effects from the hot summer and the drought.

The effects, however, were not reflected in the latest MITI survey, she said.

The downward forecast in Japan's manufacturing activity in September may reflect uncertainty over the factors, especially this summer's heat wave, she said.

Of the 14 industrial sectors covered by the latest survey, chemicals, paper-pulp and precision instruments scored growth while 10 sectors saw decline with the remaining one marking time, MITI said.

On the corporate inventory level, Takahashi said inventory adjustment improved further from July, noting the inventory index of 101.6 shown in the latest survey is

roughly equal to the level seen in January 1991. Japan's last economic peak was April 1991.

But this does not mean adjustment has come to a complete end, she said, reminding reporters of the 0.5 percent increase in the inventory-to-sales ratio in July following a 4.5 percent fall the previous month.

Construction Orders Surging

OW3108073794 Tokyo KYODO in English 0723 GMT
31 Aug 94

[Text] Tokyo, Aug. 31 KYODO—Construction orders received by 50 major general contractors in July surged 17.8 percent over a year earlier to 1,392.8 billion yen for the first year-on-year rise in 18 months, the Construction Ministry said Wednesday [31 Aug].

The ministry said private-sector orders accounted for 888.9 billion yen, up 24.1 percent, spurred by brisk demand for construction of housing and sales outlets.

Ministry officials said the figure does not mean, however, that corporate investment in plant and equipment has turned upward because orders for construction of industrial facilities remained sluggish.

Orders for public works projects jumped 12.1 percent to 428.6 billion yen, posting the first upturn in three months, the ministry said.

The officials said the sizable increase was in reaction to a sharp decline in orders the previous year because of a series of bribery scandals that rocked the construction industry.

North Korea

Foreign Party Leaders on U.S. Talks Statement

SK3008114094 Pyongyang KCNA in English 1017
GMT 30 Aug 94

[Text] Pyongyang, August 30 (KCNA)—Foreign party leaders expressed full support to the DPRK-USA agreed statement and Korea's reunification when they met Korean ambassadors. Alphonse Rugambarara, chairman of the Party for Press Freedom of the Burundian people, praised the publication of the DPRK-USA agreed statement as a great victory of the DPRK. He said, "We have consistently supported and will actively support the fair position of the DPRK to resolve the nuclear issue on the Korean peninsula through dialogue and negotiation."

Virgilio Godoy, general secretary of the Independent Liberal Party of Nicaragua, said: "We are very rejoiced over new progress at the third round of DPRK-USA talks and we express admiration at the dignified position maintained by the DPRK concerning the nuclear issue on the Korean peninsula."

Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia, said the publication of

the agreed statement between the DPRK and the United States is a great victory of the self-determined foreign policy of the DPRK. He demanded the Japanese and South Korean authorities refrain from hindering the efforts for a peaceful solution to the nuclear issue on the Korean peninsula.

Blanca Rojas Echaverry, general secretary of the Central American Unionist Party, expressed full support to the confederation formula of reunification put forward by the great leader Comrade Kim Il-song, adding that Korea's division into two by the imperialists is totally against what the Korean people wish.

Kodok Augustin Frederic, secretary general of the People's Union of Cameroon, expressed his hope that Korea will be reunified at an early date and said he fully supports the Workers' Party of Korea in its efforts to reunify the country by means of confederation and peacefully resolve the nuclear issue on the Korean peninsula.

Guzman Rivera Castaneda, general secretary of the Revolutionary Socialist Party of Peru, said: "We will invariably render firm support and solidarity to the Workers' Party and people of Korea in their efforts for the building of socialism and the reunification of the country."

Foreign Groups Support U.S. Talks Statement

SK3108110194 *Pyongyang KCNA in English 1017 GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—Foreign organizations and figures expressed support to the DPRK-USA agreed statement adopted in Geneva.

The Mali-Korea Friendship Association in a statement described the agreed statement between the DPRK and the USA as a big stride toward a durable peace and security on the Korean peninsula and as a fruition of the sagacity and bold decision of His Excellency the dear leader Kim Chong-il and the devotion of the Korean people to the cause of justice and peace.

The national executive committee of the All-Indian Youth League in a statement said a prompt and correct implementation of the agreed statement would improve the relations between the DPRK and the USA and promote the peaceful reunification of the Korean people. It urged the United States and the South Korean authorities to stop any act harmful to peace and security in this region and the rest of the world.

Jose Fanequico Lissane, executive secretary of the Mozambican Committee for Friendship With the People of the DPRK, said in a statement:

"The publication of the agreed statement is a brilliant success achieved by the Korean people under the guidance of the supreme leader Comrade Kim Chong-il, true to the behests of the great President Kim Il-song.

"The agreed statement clearly shows that Korea's proposal is very just and there is no change in the position of the Korean people.

"We hope that peace and security will be ensured at an early date through a sincere implementation of the DPRK-USA agreed statement."

A meeting welcoming the results of the third round of DPRK-USA talks was sponsored by the Russian Association for Friendship and Cultural Cooperation with the DPRK in Moscow.

The speakers said the Korean people are effecting a new upswing in all spheres of socialist construction, changing their deep sorrow at the loss of the great leader President Kim Il-song into strength and courage. The Workers' Party and people of Korea are courageously advancing along the road of socialism of their own choice under the wise guidance of the dear leader Comrade Kim Chong-il and will certainly carry out the behests of President Kim Il-song, they stressed.

Norway Urged To Support U.S. Talks Statement

SK3008115194 *Pyongyang KCNA in English 1028 GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—The Norway-Korea Friendship Association in a letter to the Norwegian foreign minister in connection with the visit of the puppet foreign minister of South Korea stressed the Norwegian Government should voice support to the DPRK-U.S. agreed statement.

Noting the historic agreed statement between the DPRK and the United States of America published in Geneva some time ago has created a favourable condition for peaceful development of the Korean peninsula, the letter said that at a meeting with the South Korean foreign minister, viewpoint of supporting the DPRK-U.S. agreed statement should be reflected in the position of the Foreign Ministry of Norway.

The letter expressed the hope that the Norwegian Government will remember the fact that the South Korean authorities are continuing to suppress the democratic movement for the independent and peaceful reunification of the country, invoking the "National Security Law".

Asia-Pacific Group Official Meets U.S. Delegates

SK3008153394 *Pyongyang KCNA in English 1517 GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—A delegation of American socio-cultural leaders led by Dan Wooding arrived here today. It was met at the airport by Yi Chong-hyok, vice-chairman of the Korean Asia-Pacific Peace Committee.

Military Sources on ROK 'Provocations' in DMZ

SK3108104094 *Pyongyang KCNA in English 1026 GMT 31 Aug 94*

["Dangerous Provocations"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—The South Korean puppets perpetrated provocations against the North one after another in the Demilitarized Zone (DMZ), military sources said.

On August 29 and 30, they brought scores of bandits armed with machine guns and automatic rifles to the military police posts and positions in the South side's portion of DMZ in the western and central sectors of the front. The bandits repeatedly took sighting postures toward the posts of the North side for a long time, gravely threatening the safety of soldiers of the Korean People's Army.

On August 29, the puppets laid explosives in broad daylight in an area extending 300 metres in the DMZ opposite Yimgang-ri, Changphung County, in the western sector of the front.

From August 22 when the Ulchi Focus Lens joint military exercises started to August 30, the puppets illegally brought a total of 5,800 armed bandits, 3,200 vehicles and more than ten heavy weapons into the South side's portion of the DMZ.

The military provocations perpetrated by the Kim Yong-sam traitorous clique in collusion with the U.S. imperialists eloquently show how recklessly they are running about to render the situation on the Korean peninsula strained.

PRC Media on North Statement on Ulchi Exercise

SK3008054694 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 27 Aug 94

[Text] A Chinese newspaper and news agency reported on the 24 August statement by a Foreign Ministry spokesman of our country, which denounced and rejected the aggressive and provocative Ulchi Focus Lens joint war exercise by the United States and South Korean authorities.

RENMIN RIBAO's 26 August edition wrote that the DPRK Foreign Ministry spokesman announced a statement denouncing the joint military exercise between the United States and South Korea under the headline "DPRK Denounces U.S.-ROK Joint Military Exercise." The paper reported: The United States and South Korea are staging a joint command exercise in South Korea, which started 22 August. The United States officially announced that it will turn over its operational command of the U.S. 7th Fleet to the U.S.-South Korea Combined Forces Command in an emergency on the Korean peninsula. The spokesman pointed out that the DPRK cannot help but take issue with the military exercise being staged when the DPRK-U.S. agreed statement was announced between the DPRK and the United States; and an atmosphere of detente and peace was being created, which the world welcomed.

The paper wrote that the spokesman stressed that the United States should discontinue all hostile acts that strain the situation on the Korean peninsula and instigate North-South confrontation and should help ensure peace and security on the Korean peninsula.

On 25 August, the XINHUA News Agency reported that in a statement announced on 24 August, a Foreign Ministry spokesman of our country denounced the Ulchi Focus Lens joint military exercise by the United States and the South Korean authorities as an act of destroying the atmosphere of detente and peace on the Korean peninsula.

Mentioning the scale and duration of the Ulchi Focus Lens joint military exercise, XINHUA wrote: The DPRK Foreign Ministry spokesman said that the current exercise is a general, three-dimensional large-scale command exercise that is being staged by thoroughly regarding the DPRK as the target of attack, and that the DPRK will keenly watch the ongoing exercise. The spokesman demanded that the United States should discontinue all hostile acts that strain the situation on the Korean peninsula and should help ensure peace and security on the Korean peninsula.

ROK's Ammunition Redistribution Drill Denounced

SK3008061794 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 27 Aug 94

[Text] According to a broadcast from Seoul, on 25 August the Kim Yong-sam traitorous clique conducted a war exercise called an ammunition redistribution drill, mobilizing the puppet army at the same time the adventurous Ulchi-Focus Lens '94 joint war exercise is being conducted, aimed at carrying out a sudden preemptive strike against the northern half of the Republic.

Infantry outfits of the puppet army's munitions headquarters and an artillery unit were mobilized to conduct this war exercise day and night. The war exercise was reportedly aimed at building a system for the wartime supply of ammunition throughout the enemy's territory.

The Kim Yong-sam traitorous clique's war exercise commotion being continuously conducted, running counter to the aspiration of all our compatriots who earnestly desire peace and reunification of the fatherland, clearly shows that the South Korean rulers are indeed a bellicose group that is madly pursuing North-South confrontation and aggravation of tensions [pungnam taegyolgywa kinjang kyokhwae hwanjanghan hojon chiptan]

Hanminjon Article on Truth, Vitality of Chuche

SK3008045694 Pyongyang KCNA in English 0443 GMT 30 Aug 94

[Text] Pyongyang, August 30 (KCNA)—No matter what storm may rage, the vanguard fighters of Hanminjon and

our patriotic people will courageously fight to win the final victory under the banner of the *chuche* idea uplifted by the great leader Comrade Kim Chong-il, the sun of guidance and savior of destiny, declares Hong Chi-yong, vice-chairman of the Central Committee of the South Korean National Democratic Front (Hanminjon), in his article dedicated to the 25th founding anniversary of Hanminjon, according to Seoul-based radio Voice of National Salvation.

For our people to advance along the road indicated by a correct idea is an important matter on which the destiny of the cause of national independence is staked, the article says, and continues:

The *chuche* idea is, to all intents and purposes, an idea for a change, that demands a continued fight till independence is fully realised.

The *chuche* idea elucidated by dear Comrade Kim Chong-il is the guiding banner for a certain victory because the idea has established the most correct world outlook for our people, indicates the most correct theory of change and strategy of the struggle to shape the destiny of our nation and gives a correct answer to the question of leading the masses.

The truth and great vitality of the *chuche* idea founded by the great leader President Kim Il-song and developed in depth by the outstanding leader Comrade Kim Chong-il have been more convincingly proved by the reality of South Korea.

The vanguard fighters and the followers of the *chuche* idea in South Korea set it as the key point to establish the *chuche*-based outlook on the leader in grasping the great *chuche* idea.

It is their unshakable faith and will to hold in high esteem and follow President Kim Il-song and Comrade Kim Chong-il as the brain of the nation, the center of national unity and the great leaders of the cause of national independence.

Pointing out that the Kim Yong-sam fascist group set off a wave of brutal repression under the "new security-oriented rule" in an attempt to destroy the followers of the *chuche* idea and the organisations with the *chuche* idea as their ideological basis and block their activities at the initial stage by invoking the fascist "National Security Law", the author says: This is the last-ditch wriggle of those facing the doom.

We will invigorate the movement to disseminate the *chuche* idea among the people of all walks of life and make maximum effort to awaken the people to the consciousness of independence and organise them on the basis of the *chuche* idea.

Society in Seoul Urges Democratic Government

SK3008111194 *Pyongyang KCNA in English 1008*
GMT 30 Aug 94

[Text] *Pyongyang*, August 30 (KCNA)—A literature in the name of the Seoul District "Patriotic Fellowship

Society" calling for the establishment of a genuine independent and democratic government was pasted up in Seoul recently, the Seoul-based radio Voice of National Salvation reported.

Written in the literature were the words: "The Kim Yong-sam group has thrown off the awkward 'civilian' veil and fully revealed its ferocious nature" and "what the Kim Yong-sam group did against the recent pan-national reunification festival put the 'Yusin regime' [as received] and the dictatorial regimes of the 'Fifth and Sixth Republics' into the shade in harshness, brutality, viciousness and cruelty."

The literature called for wiping out the "civilian" fascist fanatics and establishing a genuine independent and democratic government.

Kimilsongist League Activities in ROK Reported

SK3008114394 *Pyongyang KCNA in English 1025*
GMT 30 Aug 94

[Text] *Pyongyang*, August 30 (KCNA)—The South Korean paper HANGUK ILBO reported the activities of the "Kimilsongist Youth League—February 16 Youth Society".

The paper pointed out that the league "attempted the formation of its organizational networks not only in universities but also in labor circles, indicating that the *chuche* idea faction has struck deep roots in the society."

The paper introduced "the oath of loyalty" written by the members of the organization and a part of a letter presented by a member of the organization to the dear leader Comrade Kim Chong-il among "letters of congratulation on the birthday" and informed the readers of the fact that the organization had disseminated the "song of Hanminjon" in which the *chuche* idea and the anti-U.S. sentiments are put in a form of song and "Song of the 10-point Programme of Hanminjon", the programme set to music.

According to the paper, the league formulated it as its programme to make the *chuche* idea of the leader Kim Il-song its guiding compass, strictly abide by the guideline and policy of Hanminjon and fight for independence against the U.S. and for reunification through confederation.

The "Kimilsongist Youth League", according to its programme and rules, formed the "February 16 Youth Society", its affiliate, at Korea University in 1992 and expanded its organization at the university towns, the paper said.

Foreign Groups Denounce ROK's 'Inhumane Acts'

SK3008230994 *Pyongyang KCNA in English 1514*
GMT 30 Aug 94

[Text] *Pyongyang*, August 30 (KCNA)—Foreign organisations denounced the South Korean authorities' anti-national, inhumane acts.

The Lebanese Committee for Supporting Korea's Reunification in a statement August 20 denounced the Kim Yong-sam group for brutally suppressing the South Korean people to keep them from mourning the death of the great leader President Kim Il-song. It warned that the Kim Yong-sam group will sternly be punished by history for its acts against morality.

The statement strongly demanded that the South Korean authorities apologize to the Korean people and the world people for their heinous crime, immediately release all the arrested personages, abolish the "National Security Law" at once and return the old men, Yim In-so and Ham Se-hwan, to the DPRK. The Mozambican Committee for Friendship with the People of the DPRK in a statement August 16 said that although the traitor Kim Yong-sam is trying to prop up his shaky foundation with the suppression of guiltless people, it is no more than the last-ditch effort of a drowning man.

The statement urged the traitor Kim Yong-sam to immediately release the arrested South Korean people and students and apologize to the Korean people and the world people. The Youth Liberal Revolutionary Front of (?Mali) issued a statement August 16 denouncing the South Korean authorities' anti-national acts.

Hanminjon Pyongyang Mission Meets Italian Group

SK3108042594 Pyongyang KCNA in English 0412 GMT 31 Aug 94

[Text] Pyongyang, August 31 (KCNA)—Members of the Pyongyang mission of the South Korean National Democratic Front (Hanminjon) met the members of the delegation of the Movement for Peace and Socialism of Italy Tuesday at the Koryo Hotel here.

Yi Chong-sang, chief of the mission, informed the Italian guests of the activities of Hanminjon and the South Korean situation and elaborated on the positive struggle of the South Korean people for social democracy and national reunification.

Noting the minds of the South Korean people are turning towards the North, he said the Korean people would accomplish the historic cause of national reunification on any account, holding the dear leader Comrade Kim Chong-il in high esteem as the leader of the nation as the great leader President Kim Il-song wished in his lifetime.

Roberto Gabriele, general secretary of the Movement for Peace and Socialism of Italy and head of the delegation, expressed full support and solidarity for the struggle of Hanminjon and touched on the activities of his party and the situation of Europe including Italy.

Both sides shared views on strengthening relations between the two organizations and activating the movement for support and solidarity.

ROK Group Demands Compensation From Japan

SK3108104894 Pyongyang KCNA in English 0957 GMT 31 Aug 94

[Text] Pyongyang, August 31 (KCNA)—The Pusan council for measures on the "volunteers corps" problem in South Korea sent a direct appeal to "Chongwadae" [presidential offices] on August 15 to urge the Japanese Government to make an apology and compensation as regards the "volunteers corps" problem, a South Korean newspaper reported.

In the direct appeal, the organisation charged that the Japanese Government, though it talked much about apology and repentance, has taken no measure for the victims.

"We cannot repress resentment at the negligence and insincerity of the Japanese Government," it said.

Japanese Reports on UN Membership Condemned

SK3108042694 Pyongyang KCNA in English 0416 GMT 31 Aug 94

["Mockery of Unbiased Public Opinion"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—The Japanese authorities are now reportedly setting afloat rumours that "there have been requests from some countries that Japan should be a permanent member of the U.N. Security Council."

This indicates that Japan is now very busy creating an atmosphere for acquiring a permanent seat in the Security Council with the United Nations General Assembly for this year forthcoming.

The Japanese authorities' clamor about "requests from some countries" is a mockery of broad public opinion calling for an adequate atonement for the crimes committed by the Japanese imperialist aggressors in the past.

It must not go unnoticed that the Japanese authorities maintain that Japan must be a permanent member "for her financial contribution to the United Nations".

It is ridiculous of her to try to grab with a certain amount of money a responsible post of the U.N., an international organization with the mission to defend the peace and security of the world.

Japan should not strain every nerve on such a matter but try to clearly liquidate the past.

She is not qualified to be a permanent member unless she adequately atones for her blood-stained past.

PRC Delegation of Young Pioneers Corps Arrives

SK3008231494 Pyongyang KCNA in English 1516 GMT 30 Aug 94

[Text] Pyongyang, August 30 (KCNA)—A delegation of officials of the Young Pioneers Corps of China led by Ai

Ling, vice-chairman of the National Executive Committee of the Corps, arrived here today by train.

Kang Song-san Congratulates Slovak Counterpart

*SK3108011394 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 28 Aug 94*

[Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Jozef Moravcik, prime minister of the Slovak Republic.

The message extended congratulations to him on the occasion of the 50th anniversary of the Slovak popular uprising, the national holiday of the Slovak Republic. The message pointed out that he firmly believes that the cooperative relations between the two countries will continually develop with joint efforts.

Korean, Indian Union Groups Issue Statement

*SK3108043794 Pyongyang KCNA in English 0429
GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—A joint statement was published here on August 29 by the General Federation of Trade Unions of Korea [GFTUK] and the Centre of Trade Unions of India.

The delegation of the centre of trade unions of India stayed in the Democratic People's Republic of Korea over August 27-30.

According to the statement, talks were held between this delegation and a delegation of the GFTUK.

At the talks, both sides expressed satisfaction over the fact that the two organizations established friendly ties long ago, supported and cooperated closely with each other in the common struggle for independence against imperialism. The GFTUK noted with high appreciation that the centre of trade unions of India has made a big progress in the struggle for the improvement of working and living conditions of the workers and sincerely wished it greater success in the future efforts to carry out the decisions of its 3rd congress.

The Centre of Trade Unions of India expressed deep admiration at the fact that the working class and the people of Korea, although they are overcome by deep grief at the loss of the great leader Comrade Kim Il-song, are creditably carrying forward his revolutionary cause, closely united around Comrade Kim Chong-il, the great leader of the party, the state and the Army, and expressed the belief that they would emerge victorious in the struggle to accomplish the socialist cause of chuche centred on the masses.

The Centre of Trade Unions of India highly appreciated the consistent peaceloving activities and efforts made by the DPRK Government to hold the 3rd round of the DPRK-U.S. talks and bring positive results in them and expressed full support and solidarity for the struggle of

the Korean working people and other people for the attainment of national reunification.

Both sides earnestly called upon the progressive trade union organizations of all countries to unite closely on the principle of independence and invigorate the anti-imperialist, anti-war, anti-nuke and peace movement by forming a broad anti-imperialist joint front worldwide under the situation in which the dominationist moves of the imperialists become more unscrupulous.

Vice President Pak Leads Delegation to Libya

*SK3008143694 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 30 Aug 94*

[Text] The DPRK Government delegation led by Vice President Pak Song-chol to participate in the celebrations of the 25th anniversary of the great 1 September revolution in Libya arrived in Tripoli, the capital of Libya, on 29 August. The secretary of the People's External Liaison and International Cooperation Bureau, director of its Asian Department, and the DPRK ambassador to this country greeted the delegation.

The secretary of the People's External Liaison and International Cooperation Bureau said that it was a token of warm friendship between the two countries that the dear leader His Excellency Kim Chong-il sent a high-level delegation despite the fact that all the Korean people are sunk in great sorrow and grief over the passing away of His Great Excellency Kim Il-song. He added that the Libyan leadership and people are very grateful for this, and will treasure their friendly relations with Korea and further develop them in the future.

Vice President Meets Italian Movement Group

*SK3008125594 Pyongyang KCNA in English 1054
GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president of the DPRK, today met and had a friendly talk with the delegation of the Movement for Peace and Socialism of Italy led by General Secretary Roberto Gabriele at the Mansudae Assembly Hall.

The head of the delegation told Yi Chong-ok that the Korean people are more vigorously building socialism, closely united around the dear leader Comrade Kim Chong-il and that to defend socialism of Korea inspiring the progressive people of the world is the common duty of communists.

WPK Sends Message to Mexico's PRI on Victory

*SK3008125294 Pyongyang KCNA in English 1052
GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on Monday sent a message to Ignacio Pichardo Pagaza,

Ling, vice-chairman of the National Executive Committee of the Corps, arrived here today by train.

Kang Song-san Congratulates Slovak Counterpart

*SK3108011394 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 28 Aug 94*

[Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Jozef Moravcik, prime minister of the Slovak Republic.

The message extended congratulations to him on the occasion of the 50th anniversary of the Slovak popular uprising, the national holiday of the Slovak Republic. The message pointed out that he firmly believes that the cooperative relations between the two countries will continually develop with joint efforts.

Korean, Indian Union Groups Issue Statement

*SK3108043794 Pyongyang KCNA in English 0429
GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—A joint statement was published here on August 29 by the General Federation of Trade Unions of Korea [GFTUK] and the Centre of Trade Unions of India.

The delegation of the centre of trade unions of India stayed in the Democratic People's Republic of Korea over August 27-30.

According to the statement, talks were held between this delegation and a delegation of the GFTUK.

At the talks, both sides expressed satisfaction over the fact that the two organizations established friendly ties long ago, supported and cooperated closely with each other in the common struggle for independence against imperialism. The GFTUK noted with high appreciation that the centre of trade unions of India has made a big progress in the struggle for the improvement of working and living conditions of the workers and sincerely wished it greater success in the future efforts to carry out the decisions of its 3rd congress.

The Centre of Trade Unions of India expressed deep admiration at the fact that the working class and the people of Korea, although they are overcome by deep grief at the loss of the great leader Comrade Kim Il-song, are creditably carrying forward his revolutionary cause, closely united around Comrade Kim Chong-il, the great leader of the party, the state and the Army, and expressed the belief that they would emerge victorious in the struggle to accomplish the socialist cause of chuche centred on the masses.

The Centre of Trade Unions of India highly appreciated the consistent peaceloving activities and efforts made by the DPRK Government to hold the 3rd round of the DPRK-U.S. talks and bring positive results in them and expressed full support and solidarity for the struggle of

the Korean working people and other people for the attainment of national reunification.

Both sides earnestly called upon the progressive trade union organizations of all countries to unite closely on the principle of independence and invigorate the anti-imperialist, anti-war, anti-nuke and peace movement by forming a broad anti-imperialist joint front worldwide under the situation in which the dominationist moves of the imperialists become more unscrupulous.

Vice President Pak Leads Delegation to Libya

*SK3008143694 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 30 Aug 94*

[Text] The DPRK Government delegation led by Vice President Pak Song-chol to participate in the celebrations of the 25th anniversary of the great 1 September revolution in Libya arrived in Tripoli, the capital of Libya, on 29 August. The secretary of the People's External Liaison and International Cooperation Bureau, director of its Asian Department, and the DPRK ambassador to this country greeted the delegation.

The secretary of the People's External Liaison and International Cooperation Bureau said that it was a token of warm friendship between the two countries that the dear leader His Excellency Kim Chong-il sent a high-level delegation despite the fact that all the Korean people are sunk in great sorrow and grief over the passing away of His Great Excellency Kim Il-song. He added that the Libyan leadership and people are very grateful for this, and will treasure their friendly relations with Korea and further develop them in the future.

Vice President Meets Italian Movement Group

*SK3008125594 Pyongyang KCNA in English 1054
GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president of the DPRK, today met and had a friendly talk with the delegation of the Movement for Peace and Socialism of Italy led by General Secretary Roberto Gabriele at the Mansudae Assembly Hall.

The head of the delegation told Yi Chong-ok that the Korean people are more vigorously building socialism, closely united around the dear leader Comrade Kim Chong-il and that to defend socialism of Korea inspiring the progressive people of the world is the common duty of communists.

WPK Sends Message to Mexico's PRI on Victory

*SK3008125294 Pyongyang KCNA in English 1052
GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on Monday sent a message to Ignacio Pichardo Pagaza,

Republic of Korea on Monday sent a message of greetings to President Askar Akayev on the national day of the Kyrgyz Republic.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop.

Greets Trinidadian President

SK3008124294 Pyongyang KCNA in English 1047
GMT 30 Aug 94

[Text] Pyongyang, August 30 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea on Monday sent a message of greetings to President Noor Hassanali on the 32nd anniversary of the independence of Trinidad and Tobago.

The message wished the president and people of Trinidad and Tobago achievements in their work for the prosperity of the country and expressed the belief that friendly relations between the two countries would continue to develop on good terms.

Talks Held With Ugandan Economic Delegation

SK3008124794 Pyongyang KCNA in English 1048
GMT 30 Aug 94

[Text] Pyongyang, August 30 (KCNA)—Talks were held here between DPRK and Ugandan Government economic delegations.

Present at the talks were Yi Song-tae, chairman of the state external economic affairs commission, and other officials concerned and the Ugandan delegation led by Anthony Logulu Butele, minister of state of the presidential office.

The minutes of the talks on economic and technical cooperation between the two delegations was signed on Monday.

Foreign Media Praise 'Greatness' of Kim Chong-il

SK3108041494 Pyongyang KCNA in English 0405
GMT 31 Aug 94

[Text] Pyongyang, August 31 (KCNA)—Foreign publications carried articles praising the greatness of the dear leader Comrade Kim Chong-il.

The Brazilian paper HORA DO POVO edited special writeups on seven occasions with a portrait of Comrade Kim Chong-il.

It carried articles titled "Dear Leader," "Pyongyang Upholds Comrade Kim Chong-il as Supreme Leader," etc.

The articles highly lauded the greatness of Comrade Kim Chong-il and widely introduced the immortal exploits performed by him in the revolution and construction.

One of them said:

The revolutionary cause of chuche which was taken over by Comrade Kim Chong-il, the most faithful successor to the great President Kim Il-song, is a most brilliant heroic epic and the greatest cause in human history.

Comrade Kim Chong-il began to work at the Party Central Committee 30 years ago and has energetically guided the work for building Pyongyang into a modern city and achieving amazing development in science and technology.

He has long since been active as a deputy to the Supreme People's Assembly and assisted President Kim Il-song in his work most faithfully.

The Zairean paper DEMAIN LE CONGO in an article titled "Kim Chong-il, Supreme Leader of Korean People" said:

The achievements of His Excellency Kim Chong-il are great ones that can be made only by a rare thinker and theoretician, statesman, outstanding military strategist and true leader of the people with noble virtues who is intensely loyal to the cause of socialism and the people.

With magnanimous politics and benevolent politics embodying President Kim Il-song's idea of "believing in the people as in heaven," he has turned the whole society into a harmonious family where the leader, the party and the masses are united in one mind.

The Korean people call him "dear leader, dear father and our Supreme Commander General Kim Chong-il."

The Ghanaian paper WEEKLY SPECTATOR, the Pakistani paper PAKISTAN and Radio Citta Aperta of Italy also published articles on the greatness of Comrade Kim Chong-il.

NEWSWEEK and THE WASHINGTON POST reported about Comrade Kim Chong-il's revolutionary activities, carrying his portraits.

THE WASHINGTON POST said Mr. Kim Chong-il exercises definite leadership as head of the party and the Army.

Guyanese Groups Deliver Gifts for Kim Chong-il

SK3108040894 Pyongyang KCNA in English 0359
GMT 31 Aug 94

[Text] Pyongyang, August 31 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, received gifts from Nanda Gopaul, leader of the Labour Party of Guyana, and Peter Persard, leader of the Amerindian Action Movement of Guyana.

The gifts were handed over to the DPRK ambassador to Guyana on August 26.

Handing over the gifts, they expressed their sincere hope that the flower seeds, the gifts, would come into beautiful blossoms around the bier and statue of President Kim

Il-song and that Comrade Kim Chong-il would successfully carry forward the revolutionary cause of chuche.

A meeting was held in Georgetown on August 25 to hand over the flower seeds prepared by the Guyanese National Committee for the Study of the Chuche Idea of Comrade Kim Il-song as a gift to Comrade Kim Chong-il.

Chairman of the committee Robert Williams, in his speech at the meeting, said the flower seeds carry their deep respect and reverence for respected President Kim Il-song and the earnest wish and desire of the chuche idea followers and people of Guyana that the Korean people will accomplish the revolutionary cause of chuche under the guidance of his excellency the dear leader Kim Chong-il.

Officials Attend Meeting on Kim Chong-il's Work

*SK3108043194 Pyongyang KCNA in English 0422
GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—A symposium on the 10th anniversary of the publication of the famous work of the dear leader Comrade Kim Chong-il "On Further Developing Educational Work" was held here Tuesday.

The participants paid a silent tribute to the memory of the great leader President Kim Il-song who established the most superior socialist educational system on this land and devoted his whole life only to the fatherland and the people and to the accomplishment of the cause of global independence.

Comrade Kim Chong-il on July 22, 1984 sent to the participants in the national meeting of educational workers a historic letter "On Further Developing Educational Work".

The letter is an immortal educational complete work that developed and enriched the educational idea, theory and methods of President Kim Il-song in an overall way and a great encyclopedic educational program of chuche which gave perfect scientific answers to all theoretical and practical matters arising in developing the socialist education of our time.

The speakers said the work of Comrade Kim Chong-il is a highly important guideline that clearly indicated the way of rearing the growing generations to be creditable successors to the revolutionary cause of chuche with steadfast revolutionary outlook on the leader and useful revolutionaries of talent through the revolution in education.

Pointing out that Comrade Kim Chong-il has led higher educational institutions to intensify political and ideological education and scientific and technical education, they said that competent officials who would carry forward the cause of the leader and the cause of socialism have grown up among the rising generation, reinforcing the driving forces of the revolution.

They said that the chuche-based socialist educational system has been consolidated and developed and a brilliant example of socialist education was set under the energetic guidance of Comrade Kim Chong-il.

Attending the symposium were Choe Tae-pok, alternate Politburo member and secretary of the C.C. [Central Committee], The Workers' Party of Korea, Choe Ki-yong, chairman of the State Education Commission, presidents and rectors of universities and colleges, officials concerned and teachers and researchers.

Kim Chong-il's Leadership, 'Genius' Stressed

*SK3008123094 Pyongyang KCNA in English 1042
GMT 30 Aug 94*

["Great Leadership for Strengthening Driving Force of Revolution"—KCNA headline]

[Text] Pyongyang, August 30 (KCNA)—We have the dear leader Comrade Kim Chong-il, a genius of revolution and an ever-victorious iron-willed brilliant commander, the integral whole of the leader, the party and the masses and the powerful driving force of our revolution.

This is stressed in NODONG SINMUN today in an article by Dr. Kim Taek-kyu.

The article says the greatest feat performed by Comrade Kim Chong-il for the time and the revolution is that he has built up a powerful driving force of our revolution.

The dear leader Comrade Kim Chong-il is quoted as saying:

"Under the guidance of our party led by respected Comrade Kim Il-song our people have become an independent driving force which develops society and the revolution dynamically as the genuine masters of their own destiny."

The article continues:

Comrade Kim Chong-il saw that greater efforts were made to strengthen the driving force of the revolution in keeping with the development of socialist construction to a higher stage.

What is important in his leadership for building up the driving force of the revolution is, first of all, that he organized the ideological education of the people in the chuche idea in a go-ahead manner.

He formulated the revolutionary idea of the great leader Comrade Kim Il-song, the chuche idea, as an integral system of the idea, theory and method of chuche and comprehensively developed it in depth with new principles and propositions as required by the present time and the developing revolution.

The dear leader laid the main stress on the education of the popular masses in the chuche idea in preparing them to be an independent driving force of the revolution, has

consistently directed great efforts to this education and saw that it was strengthened in keeping with the deepening of the cause of modelling the whole society on the chuche idea.

What is important next in the leadership of the dear leader for building up the driving force of the revolution, is that he has prepared the masses to be an invincible revolutionary unit intensely loyal to the party and the leader and united them ever closer around the party and the leader through revolutionary practice.

The dear leader was the first in history to define loyalty to the party and the leader as the fundamental issue decisive to the destiny of the revolution, formulated from a new angle the basic requirements of loyalty to the leader and ensured that the party members and other working people were deeply educated in loyalty.

Whenever difficult and complicated tasks faced our party and people, he guided the masses to fulfil them with the strength of unity and strengthen the single-hearted unity around the party and the leader in every way in that course.

The people are in the mind of the great leader, and the leader is in their minds. The entire people absolutely trust and uphold their leader. This is the true picture of our singlehearted unity and the driving force of the revolution.

Belgian Party Paper, Leader Praise Both Kims

SK3108020194 *Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 30 Aug 94*

[Excerpts] On the occasion of the death of the great leader Comrade Kim Il-song, (SOLDIER), the organ of the Belgian Labor Party, published a special edition on 3 August. The newspaper carried the picture of the great leader Comrade Kim Il-song posed with Ludo Martens, chairman of the Belgian Labor Party, after receiving him on 30 June; and pictures showing the respected and beloved leader's and the dear comrade leader's on-the-spot guidance activities to various fields of the national economy.

The newspaper carried Ludo Martens' articles: "The Last Words President Kim Il-song, the Only Prominent Leader of the 20th Century, Uttered Before the Delegation of the Belgian Party of Labor," "The Era of Communism That has Changed the World," "Comrade Kim Chong-il has Led Korea for Scores of Years," "Korea and Africa," and "How Has the Succession Issue Been Solved?"

In these articles, introducing in detail the greatness of the respected and beloved leader Comrade Kim Il-song, the writer stressed that the issue of inheriting the revolutionary cause has been completely solved in our country.

The writer wrote: As Americans gave in to President Kim Il-song's strong will, DPRK-U.S. talks were held on 8 July. However, a surprising event that stopped the

hearts of billions of people took place that day. That is to say, to our regret, President Kim Il-song died. The Korean people will no longer be able to receive the incomparably rich revolutionary experience and talented wisdom of President Kim Il-song. We must have been the last foreign guests who received the audience of the prominent leader who has traversed the road of struggle for the people's freedom and liberation since 1926 when he was 14 years old. [passage omitted praising Kim Il-song's achievements]

As shown by the developments in socialist countries in recent years, the issue of inheriting the leader's cause is very important. The Workers' Party of Korea [WPK] has, for a long time, been strengthening its impregnable unity and cohesion and consolidating the center of its leadership. The core figure of the center of the WPK's leadership is Comrade Kim Chong-il. Comrade Kim Chong-il has been assuming overall works of the country for a long time. The DPRK has been led virtually by Comrade Kim Chong-il for scores of years. Comrade Kim Chong-il has been upheld [chudae] as the successor to Comrade Kim Il-song's cause as he has the complete personality, qualifications, and ability as the leader [yongdoja]. Comrade Kim Chong-il will outstandingly perform the noble duties assigned throughout time and history. [passage omitted on praising Kim Chong-il and the DPRK people's unity around Kim Chong-il]

International Friendship Exhibition Described

SK3108105794 *Pyongyang KCNA in English 1011 GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—The International Friendship Exhibition, the only of its kind in the world, is a house of national treasures of the world and treasures of mankind focusing the reverence of all peoples.

This is what foreigners say in unison when visiting the exhibition.

On display in the exhibition situated in Mt. Myohyang, one of the five scenic mountains of Korea, are over 103,000 exhibits, part of the gifts sent by the people all over the world to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Of them 73,000 items or more are gifts to President Kim Il-song from party and state leaders, heads of governments and prominent political and public figures of 169 countries.

Gifts sent to him by the heads of state of 99 countries number more than 4,000 items.

Exhibited also are about 29,000 items of gifts sent to Comrade Kim Chong-il from 149 countries.

The exhibits vividly represent the deepest reverence of the world people for the two great men who have performed immortal feats for mankind.

World's treasures are exhibited there, including world's first-class ivory carvings, most exquisite crafts, embroideries and sculptures created by mankind and the world's biggest ivory.

Because each of these gifts carries great sincerity of the world people worthier than the value of the treasure they are regarded as more precious human treasures.

The reverence of mankind for the great men are focussed here.

Elegant ivory carvings and works of art created by many famous artists under the care of the states, a small lamp stand dating back to Ancient Greece some 3,500 years ago, a 500 year-old firelock and all other gifts are national or family treasures made with utmost sincerity or handed down through centuries, which represent the hearts of all peoples looking up to President Kim Il-song and Comrade Kim Chong-il as the sun of chuche.

Not without reason foreign visitors ask for their permanent preservation, saying the treasures belong not only to Korea but also to humanity.

The exhibition was opened on August 26, 1978.

The total floor space of the six-storeyed elegant Korean-style building is 28,000 square metres.

Light, temperature and humidity are automatically regulated.

Since its opening, more than 1.5 million working people, Koreans overseas and foreigners visited the exhibition.

The International Friendship Exhibition is a palace greatly conducive to strengthening friendship and solidarity of the world people desirous of independence.

Cambodian Embassy Officials Visit Kim's Statue

*SK3108041694 Pyongyang KCNA in English 0409
GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—Officials of the Cambodian Embassy in Korea Tuesday called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and his old home in Mangyongdae to mourn his death.

They presented bouquets of flowers before his statue and old home in Mangyongdae and paid a silent tribute to the memory of the great leader.

Laau Bonna, minister councillor of the embassy, said he came to Mansu Hill on several occasions upon hearing the sad news that His Excellency President Kim Il-song, a great friend of the Cambodian people, passed away, but he could not vent all his grief.

"The great revolutionary exploits performed by President Kim Il-song for the Korean and the world revolution will shine forever," he said, and continued:

"Cambodia and Korea have very friendly relations. This friendship is an invincible one built up by respected President Kim Il-song and his majesty respected Norodom Sihanouk.

"The Korean people are now stepping up the socialist construction, rallied firm around his excellency dear Kim Chong-il".

Italian Magazine Publishes Issue on Kim Il-song

*SK3108105194 Pyongyang KCNA in English 1001
GMT 31 Aug 94*

[Text] Pyongyang, August 31 (KCNA)—The Movement for Peace and Socialism of Italy published the July issue of the magazine AGENZIA D'INFORMAZIONE as a special issue.

Under the title "President Kim Il-song Passes Away" the magazine informed the readers of his death.

The magazine said the death of the great leader President Kim Il-song, the supreme leader of the international communist movement and the age of independence, is the greatest sorrow and loss to the Korean people and the communists of the world.

It carried news that the first five volumes of Part I the anti-Japanese revolution of President Kim Il-song's reminiscences "With the Century" have been published. It edited the preface of the first volume.

The magazine said that a collection of the dear leader Comrade Kim Chong-il's famous works "On the Chuche Idea" and "Abuses of Socialism Are Intolerable" was brought out by the political studies publishing house of Italy. It wrote that Comrade Kim Chong-il has been long active as the supreme leader of the Workers' Party of Korea, the state and the Army.

Comrade Kim Chong-il, the leader of the Korean people, is a thinker and theoretician who has written many works, said the magazine, adding that his work "On the Chuche Idea" is an encyclopedia reviewing a wealth of experience gained in the historic course of the protracted Korean revolution.

Kim Il-song's Contribution to Reunification Noted

*SK3008153594 Pyongyang KCNA in English 1510
GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—The 5th pan-national rally for peace and reunification of the country was held in Pyongyang, Seoul and Tokyo on the 49th anniversary of Korea's liberation (August 15).

At the rally held in the North, South and overseas under the sponsorship of the National Alliance for the Country's Reunification, the participants vowed to reunify the country in the 1990s through the great unity of the nation.

The great leader President Kim Il-song said:

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

"For the independent and peaceful reunification of the country it is necessary to achieve the great unity of the whole nation." To reunify the country through the great unity of the nation was what President Kim Il-song wished in his lifetime.

During the anti-Japanese war, he established the glorious tradition of great national unity. For nearly half a century since the country was divided in August 1945, he defined the reunification of the country as the supreme task of the nation and wisely guided the efforts to achieve it. In April 1948, he convened a joint conference of the representatives of political parties and public organisations of North and South Korea in Pyongyang in order to overcome the difficulties facing the nation after the [word indistinct] imperialists' occupation of South Korea. The conference was a historical event which brought to realization the great unity of all the patriotic forces in the North and the South under the banner of national salvation and reunification.

After the conference, the representatives of leftist and rightist political parties and public organisations of South Korea as well as the bigotted nationalists who had committed themselves to "anti-communism" all their lives took the road to patriotism, deeply moved by President Kim Il-song's patriotism and the spirit of national independence.

In the 1950s and the 1960s, he lifted the reunification movement to a higher stage, putting forward a principled policy and reasonable ways of reunification in conformity with the new situation in the country. In the 1970s, he laid down the three principles of national reunification— independence, peaceful reunification and great national unity—and saw that they were defined as a publicly accepted common reunification programme of the nation. In the early 1980's, he put forward the most realistic and reasonable proposal for founding the democratic confederal republic of Koryo, and the ten-point policy of the unified state. The proposal stipulates that the confederal state should be established with the ideologies and systems in the North and the South left as they are.

In the 1990s, he published "10-point programme of the great unity of the whole nation for the reunification of the country" in April 1993, thus providing a great charter of the unity of the 70 million Koreans.

In the programme, he said a unified state, independent, peaceful and neutral, should be founded through the great unity of the whole nation and that all Koreans in the North, the South and overseas should jointly pave the way for national reunification, transcending the differences in ideology and system, party affiliation and political view, and religious belief.

In accordance with the noble idea of great national unity, he cordially treated all Koreans who hoped for reunification, respective of their ideology, political view and past doings, and led them along the patriotic road of reunification.

Rightist politicians and nationalists of South Korea such as Kim Ku and Kim Kyu-sik who had been committed to anti-communism all their lives, religionists such as Kim Chang-nun and the [word indistinct] (?Ik-hwan), overseas Koreans such as Choe Tok-sin and Choe Hong-hui and many other people launched to patriotic activities under the banner of great national unity held high by the great President Kim Il-song. President Kim Il-song' brilliant idea of great national unity enjoys warm support from all Koreans in the North, the South and overseas, except a handful of anti-reunification elements. The entire Korean people are more vigorously fighting to reunify the country in the 1990s as intended by President Kim Il-song in his lifetime, with the great leader of the nation Comrade Kim Chong-il as the lodestar of national reunification.

Twenty-One New Colleges Reportedly Built

SK3008123794 *Pyongyang KCNA in English 1011 GMT 30 Aug 94*

[Text] Pyongyang, August 30 (KCNA)—21 new colleges, six of which are of the university level, came into being in Pyongyang and local areas on the threshold of the new school year (Sep. 1) in the DPRK.

They will give students basic education in technology and special knowledge of advanced science and technology in keeping with the trend of the development of modern science and technology and the prospective requirement of the development of the national economy.

Most of the new universities are under the study-while-working system in agriculture.

The agricultural universities built in major granaries such as Onchon, Kwaksan and Chongdan Counties will train agricultural workers capable of managing well the socialist rural economy.

Some of the new colleges are to train technicians for the electronics, light and mining industries and other sectors of the national economy.

Dialogue on Revolutionary Cause's 'Essence'

SK3108051794 *Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 30 Aug 94*

[Dialogue between An Hui-yang and Pyon Ok-suk, reporters from the Central Broadcasting Station: "The Essence of the Working Class' Revolutionary Cause"]

[Text] [An Hui-yang] How are you? The dear leader Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, has scientifically elucidated the essence of the working class' revolutionary cause based on the chuche-oriented viewpoint and position of the working class in approaching the revolutionary movement, placing the leader [suryong] at the center. And in this hour today I would like to discuss the essence of the working class' revolutionary cause.

[Pyon Ok-suk] Yes, let us do it. To understand the essence of the working class' revolutionary cause it is imperative to clarify both the final goal of this cause and the ultimate factor for its [word indistinct] development. The great leader Comrade Kim Il-song has clarified that the working class' revolutionary cause is the historic cause to do away with all forms of social subjugation and the constraints of nature and to build and consummate the communist society in which the popular masses' independence has been realized completely. Thus, he has (?seen to it) that the essence of the working class' revolutionary cause is [words indistinct] from the viewpoint of its final goal.

The dear leader Comrade Kim Chong-il has examined the essence of the working class' revolutionary cause from the viewpoint of the final factor for its pioneering, development, and consummation and expounded that the working class' revolutionary cause is precisely the leader's [suryong] revolutionary cause. Thus, he has further developed and enriched the great leader's revolutionary ideology.

The dear leader Comrade Kim Chong-il has indicated: The working class' revolutionary cause is the leader's revolutionary cause. The working class' revolutionary cause is pioneered and led to victory by the leader [suryong] and consummated under the leader's leadership.

The working class' revolutionary cause is the cause in which the entire course from its pioneering to its development and consummation is formed by the leader's ideology and leadership and in which its destiny, too, is decided by the leader's ideology and leadership. Herein lies the true meaning that the working class' revolutionary cause is precisely the leader's revolutionary cause.

[An] I agree with you. Various factors function in the course of the working class' revolutionary cause being pioneered, developed, and consummated, and the function of these various factors makes the working class' revolutionary cause assume a different aspect according to its pioneering period, its developing period, and its consummating period.

However, there is a decisive factor which functions in dealing with human beings and which regulates all processes in the entire course of pioneering, developing, and consummating the cause. It is precisely the independent main force of the revolution which has become conscious and organized.

[Pyon] This independent main force of the revolution which has become conscious and organized is the virtual entity and the decisive force in charge of directly inspiring the entire course of carrying out the revolutionary cause by actively maturing and providing all factors and [word indistinct] which can influence the working class' revolutionary movement.

[An] That is right. Therefore, the revolutionary movement of the working class begins with the building of the independent main force of the revolution, which has been made conscious and organized, and develops on the strength of its might. In nature, the masses do not become conscious and organized spontaneously. The process of making the popular masses conscious and organized is achieved and realized only through the leader's [suryong] activity.

[Pyon] You are right. The revolutionary cause of the working class can be pioneered, developed, and consummated only by the independent main force of the revolution, which has been made conscious and organized by the leader.

[An] The work of making the popular masses a political collective that has been made conscious and organized cannot be thought of apart from the party's leading role.

[Pyon] That is right. The leader [suryong] provides the party's guiding ideology and presents the goal, direction, and method of the party's struggle by creating the ideology of the revolution, reflecting the demands of the developing history and the practice of the revolution, and by developing and enriching it. The leader also realizes the party's ideological unity, organizational [word indistinct], and unity in action and, thus, making the party an invincible one by presenting and embodying a scientific party-building line and policy of party activity.

The party of the working class is founded, strengthened, and developed by such ideological, organizational, and leading activities of the leader. It also performs its function and role as the leading body of the revolution.

[An] I think you mean that the final factor that determines the inevitable process of pioneering, developing, and consummating the revolutionary cause of the working class rests precisely with the leader's role.

[Pyon] You are correct. The revolutionary cause of the working class is pioneered, developed, and consummated by the leader's role. Herein lies the main theoretical basis of the fact that the revolutionary cause of the working class is the leader's revolutionary cause.

[An] Yes, I agree with you. That the revolutionary cause of the working class is in essence the leader's revolutionary cause is a valuable truth that has been proven, not only theoretically, but also by the history of the international communist movement.

[Pyon] That is right.

[An] The revolutionary cause of the working class in the 19th century in Europe began with the activity of Marx, the first leader of the international working class and the creator of the scientific communist doctrine. The struggle of the working class was waged more actively by Lenin, who inherited the cause of Marx.

[Pyon] The truth that the revolutionary cause of the working class is the leader's cause, which is pioneered, developed, and consummated by the leader, has been more clearly proven through the activity of the great leader Comrade Kim Il-song who pioneered the chuche revolutionary cause and has led it to victory.

The chuche revolutionary cause, which is a new high stage in the development of the revolutionary cause of the working class, that is, the revolutionary cause of communism, has been able to be pioneered and led to victory by the great leader Comrade Kim Il-song's activity.

Indeed, apart from the great leader Comrade Kim Il-song's wise leadership we cannot speak of the pioneering and development of the chuche revolutionary cause.

[An] I agree with you. The chuche revolutionary cause pioneered by the great leader Comrade Kim Il-song is being further developed and consummated by the wise leadership of Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people. That the revolutionary cause of the working class is the leader's [suryong] cause, which is pioneered, developed, and consummated by the leader [suryong] is an absolute, invariable truth. The dear leader Comrade Kim Chong-il has discovered and proven this invariable truth, and this is precisely his historic important exploit.

All party members and working people should keep in mind the truth that the revolutionary cause of the working class is the leader's revolutionary cause and should vigorously struggle for the consummation of the chuche revolutionary cause by further upholding the dear leader Comrade Kim Chong-il. Thank you.

South Korea

U.S.-DPRK Contact Differs on Experts Meeting

SK3108005294 Seoul KBS-1 Radio Network in Korean
0000 GMT 31 Aug 94

[Report by Kim Il-kyu from Washington]

[Text] The United States and North Korea held a working-level contact in New York on 30 August to discuss holding experts meeting for a complete solution to the North Korean nuclear issue. However, they failed to narrow differences in opinion on the meeting place and formation of delegations to the experts meeting.

The U.S. State Department officials and the North Korean UN Mission held a working-level contact at UN Headquarters in New York this morning, Korean time, and continued negotiations on the place of the experts meeting and methods of formation of delegations to the meeting, on which they differed at the previous working-level contact on 25 August.

After the working-level talks, however, the U.S. Department of State just said that the United States and North

Korea have decided to continue the working-level talks because they have yet to decide on the experts meeting schedule, clearly indicating that they have failed to narrow differences in spite of the two working-level contacts.

Accordingly, the sides will hold another working-level contact in a few days to make a final decision on the date and place of the experts meeting and on the formation of delegations to the meeting in order to begin to hold the experts meeting in early September.

A high-level diplomatic source in Washington stated: As you know, the United States and North Korea held a war of nerves, as expected, [singyongjon] at the 30 August working-level contact over the issue of holding the first round of experts meeting in Pyongyang.

The source expected that when the problem regarding the meeting place is solved, the general itinerary, including the method of forming delegations, will be prepared.

Agreement 'in Principle' to Site

SK3108012094 Seoul YONHAP in English 0101 GMT
31 Aug 94

[Text] Washington, Aug. 30 (YONHAP)—Working-level officials from the United States and North Korea are close to an agreement on the schedule and venue for experts' meetings agreed earlier at high-level talks in Geneva.

After the two sides met in Washington Tuesday evening, State Department officials said that no final agreement on a detailed schedule for the experts' talks had been reached and that further contacts would be held. However, reliable sources here and in New York disclosed that they agree in principle to the site and timetable, with just some working procedures still to be decided.

A source in New York said the two sides agreed in principle to hold the experts' meetings in Pyongyang, Washington or at a third site as soon as possible as agreed at their high-level talks in Geneva, adding that a few practical matters remained to be resolved.

Following the contact, it was not immediately known whether the experts' talks would take place between Sept. 5 and Sept. 10 as originally scheduled or be postponed to a later date.

The sources said there is a strong possibility the experts will be divided into three teams, instead of the originally planned four, to deal with the provision of assistance to the North for light-water nuclear reactors and alternative energy, the opening of liaison offices in Washington and Pyongyang, and the treatment of spent fuel rods.

They noted that the experts' meeting regarding the treatment of spent fuel rods is likely to be held in Pyongyang.

'Historic Significance' Noted

SK3108124994 Seoul KBS-1 Television Network in Korean 1209 GMT 31 Aug 94

[By reporter Yi Kang-tok]

[Text] A diplomatic source has said that in today's working-level contact in New York, the United States and North Korea virtually agreed to hold bilateral experts talks next week in Pyongyang and Washington.

This source also said that the two countries agreed to hold experts talks in Pyongyang to discuss the establishment of liaison offices and that four to five working-level U.S. Government officials, including (Goldstein), a State Department officer in charge of North Korea, will visit Pyongyang next week.

He also said that the two countries agreed to hold other experts talks in Washington to discuss the handling of the used fuel rods, the supply of light-water reactors, and the supply of alternative energy sources.

He went on to say: The fact that the talks to discuss the establishment of liaison offices are scheduled to take place in Pyongyang means that, with regard to the issue of improving bilateral relations, the two countries have reached the stage of discussion. And, that the United States and North Korea, which have hostile relations, will hold the first intergovernmental consultations in Pyongyang, North Korea's capital, is of historic significance.

As soon as North Korean authorities confirm their intention to hold these talks, the United States and North Korea will announce the agreement this week.

Pace of U.S.-North Rapprochement Questioned

SK3108064094 Seoul YONHAP in English 0632 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—Yi Hong-ku, deputy premier and minister of the National Unification Board (NUB), said Wednesday the government will see if South Korea can modulate the pace of North Korean-U.S. rapprochement.

Attending an Executive Council meeting of the ruling Democratic Liberal Party [DLP], Yi briefed DLP lawmakers on recent North Korean moves and the situation on the Korean peninsula.

Liaison offices, which Pyongyang and Washington have agreed to exchange when they reach a final solution, cannot be overlooked because of their symbolic meaning, and the South Korean Government will work out prudent measures in relation to the issue, Yi was quoted by DLP Vice-spokesman Song Op-kyo as saying.

The prime minister's remarks suggest that South Korea may agree to the opening of liaison offices between Pyongyang and Washington after special inspections of North Korean nuclear sites.

North Korea and the United States are scheduled to meet for the second time in the third round of high-level talks on Sept. 23 to talk about various issues including the timing of the liaison offices' establishment.

Before then, the two sides will hold expert-level discussions on matters included in the "agreed statement" they announced after the third round of high-level talks opened on Aug. 13 in Geneva.

The South Korean Government can never concede on the issue of securing North Korea's nuclear transparency, Yi reportedly said at the closed-door meeting. "And, it is the government's position that the reactors with which North Korea would replace the current ones should be South Korean-style ones," Yi was quoted as saying.

Turning to the possibility that North Koreans might flee en masse to China, he said the government is studying means to cooperate with neighboring countries should that kind of situation arise.

The DLP council members criticized the confusion surrounding the government's policy on diplomacy and security and urged it to work out a consistent policy. In response, Yi explained that what appears to be confusion from the outside can be considered flexible policy inside the government.

Rep. Ku Cha-chun said, "The agreement between North Korea and the United States on establishing diplomatic representatives should have been reached after special inspection of the North Korean nuclear sites is carried out."

He urged the government to attempt to adjust the pace of rapprochement between Pyongyang and Washington, voicing concern that the opening of liaison offices may encourage other countries to follow suit.

Senior Official To Go to U.S.

SK3108105994 Seoul YONHAP in English 1045 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—South Korea believes any improvement of relations between the United States and North Korea should be conditioned on significant inter-Korean dialogue, and plans to inform Washington thereof shortly, a government source said on Wednesday.

He said the Seoul government would tell the United States again that North Korea's nuclear past should be made transparent through special inspections parallel with any full-fledged relations improvement between Washington and Pyongyang.

In this connection, the source said, the government plans to send a senior official to Washington prior to the scheduled visit to Seoul in mid-September by U.S. Assistant Secretary of State Robert Gallucci.

The government believes policy coordination with Washington is exigent especially on the controversial issues of special inspections and of whether to adopt the Korea model of light-water reactors, the source said.

The decision seems stemming from the fear that the United States, eager to have North Korea freeze its nuclear programs, may compromise with Pyongyang over South Korea's head at the second U.S.-North Korea meeting slated for Sept. 23.

Seoul would also advise the United States that the Korea model should always be adopted in the support of light-water reactors for North Korea, the source said.

The government, he said, would tell Washington that otherwise, it won't shoulder any financial burden for light-water reactors.

"We believe that any rapid development of U.S.-North Korea relations at a time when there is no significant inter-Korean dialogue cannot be of any help to the resolution of the nuclear question," a senior government official said.

"This is a time there needs a fresh coordination of policies between Seoul and Washington," the official said.

Basically South Korea is not opposed to improved relations between the United States and North Korea, said the official, adding that "We, however, have the firm position that at least inter-Korean relations should be improved parallel with any Washington-Pyongyang relations improvement."

National Unification Minister Yi Hong-ku said at a party affairs meeting of the ruling Democratic Liberal Party Wednesday, "We will try to properly adjust the pace of relations improvement between the United States and North Korea."

The remarks were taken to mean that his government would link the proposed exchange of liaison offices between Washington and Pyongyang to special inspections and support of light-water reactors.

Minister Explains Light-Water Reactor Promotion

SK3108104694 Seoul YONHAP in English 1033 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—Deputy Prime Minister Yi Hong-ku said on Wednesday his government is promoting support for light-water reactors for North Korea from the angle of securing the nation's energy.

"Our support for their light-water reactors would be part of a comprehensive joint plan for the development of the Korean nation," he said.

Yi, concurrent national unification minister, made the remarks in a speech at a "Unification Policy Workshop"

held at the Walker-Hill Hotel with members of the National Assembly Foreign and Unification Committee members attending.

He also said that his ministry would faithfully report all unification-related policies to the National Assembly since, he said, unification programs should be promoted with full public support.

'Confusion' Over Nuclear Policy Issue Condemned

SK2708123794 Seoul CHOSON ILBO in Korean
27 Aug 94 p 3

[Editorial: "Foreign Minister's Victory?"]

[Text] Confusion within the ROK Government over "special inspections" on the North Korean nuclear facilities is too serious. After the announcement of the agreed statement of the third-round U.S.-North Korea high-level talks on 13 August, the United States interpreted that North Korea's intention to remain in the Nuclear Nonproliferation Treaty includes the acceptance of "special inspections," while the North is denying that it had made such a promise and is reaffirming that it would never accept special inspections. At such a time, President Kim Yong-sam and U.S. President Clinton confirmed to each other over the telephone that special inspections are a must for providing aid to the construction of light-water reactors.

However, after returning from his trip to northern Europe, Foreign Minister Han Sung-chu created a stir by saying that it is not necessary to insist on the words "special inspections" if North Korea ensures its nuclear transparency. Chong Chong-uk, senior presidential secretary for foreign and national security affairs, rebutted that the remarks were "not appropriate," and President Kim also reconfirmed the next day that "the North Korean nuclear issue can only be resolved when special inspections on undeclared facilities are conducted."

A meeting on reunification and security policy coordination ensued to conclude the government's stance. It was expected that the meeting would choose insisting on special inspections, which was repeatedly stressed by the president. However, the conclusion was that "practical measures, including special inspections, are necessary." This is very ambiguous. It is not clear whether practical measures should be taken through special inspections or special inspections are one of the practical measures. As expected, the spokesmen of the National Unification Board and the Foreign Ministry had different interpretations. Nevertheless, the two parties agreed that the Foreign Ministry is in charge of interpreting the "practical measures." It is virtually perceived that the ROK may give up on the special inspections. Foreign Minister Han Sung-chu had his will.

We cannot but condemn the disarray of the government's system in making policies on the North Korean nuclear issue. How can we trust a government policy when a minister reverses the policy declared by the

president, a vice minister makes a head-on challenge against a minister, and spokesmen of different ministries give different interpretations to a policy concluded by the coordination meeting? What is a coordination meeting if it cannot derive a reunification and security policy unanimously agreed upon by relevant government authorities?

At any rate, this gave the North more confidence in refusing special inspections. North Korea will certainly assume a more highhanded attitude. Then, what is the way for us to be free from North Korea's nuclear threat? Nuclear transparency cannot be assured by special inspections alone. Special inspections mean observing the undeclared facilities. Nuclear transparency is assured when all suspicions are verified from special inspections and the possession of nuclear weapons is confirmed to be negative. What is left to be verified without special inspections? We should not be embroiled by North Korea's ambition to communize the South by bearing the cost of light-water reactors while not taking any steps against the North Korean nuclear threat.

North's Envoy to Russia Remarks on Inspections

SK3108020494 Seoul YONHAP in English 0125 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—North Korean Ambassador to Russia Son Song-pil has declared that his country cannot accept special inspections of its nuclear facilities, NAEWOE Press quoted Moscow Radio as saying Tuesday.

Son was quoted as saying, "We can neither open our military facilities nor can we allow foreign countries to intervene in our domestic affairs in return for some light-water reactors. Demands for special inspection of our military sites are nonsense."

He made the remarks at a meeting with a pro-North Korean organization in Moscow held Aug. 25, according to NAEWOE.

Son said North Korea withdrew from the Nuclear Non-proliferation Treaty (NPT) last year because the International Atomic Energy Agency (IAEA) tried to infringe on its sovereign rights by demanding special inspections of its military sites on the basis of NPT and nuclear safeguards agreements.

The ambassador added, "The recently agreed statement adopted between the United States and North Korea at their Geneva talks paved the way for settlement of the North Korean nuclear problem and improvement of U.S.-North Korean relations."

Demonstrating its commitment to solving the nuclear problem, North Korea agreed to change its graphite-moderated reactors to light-water models, he emphasized.

Son said, however, that since the United States cannot solve the problem in light of the current relations between Pyongyang and Washington, it should end its

hostile policy and nuclear threat toward North Korea as well as seek bilateral cooperation.

North Sends Government 'Special Envoy' to China

SK3108002894 Seoul YONHAP in English 0008 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—Pyongyang dispatched Vice Foreign Minister Song Ho-kyong to China Tuesday as "the government's special envoy," drawing attention to the situation in North Korea following the death of President Kim Il-song.

NAEWOE Press, the official North Korea watcher here, quoted Radio Pyongyang as reporting that Song flew to China from Pyongyang where he was sent off by Vice Foreign Minister Cho Kyu-il and the Chinese charge d'affaires to North Korea. The broadcast did not disclose the objective of Song's visit nor his itinerary.

Attention is being focused on the trip as North Korea has been responding sensitively to Beijing's position on the North since Kim Il-song died on July 8.

Reasons for Action Analyzed

SK3108071094 Seoul YONHAP in English 0648 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—North Korea dispatched Vice Foreign Minister Song Ho-kyong to China Tuesday as "the government's special envoy." What might have led to Song's abrupt China trip and what are its objectives?

Song's visit to China represents the second official diplomatic step Pyongyang has taken since Kim Il-song's death nearly two months ago, following the resumption in early August of the third round of Washington-Pyongyang high-level talks in Geneva.

In particular, it is speculated that Song might convey some important message to the Chinese authorities. But the ever-secretive North, in announcing Song's trip, did not disclose its objective nor his itinerary.

Officials here think it highly likely that Pyongyang has sent Song to China to inform the Beijing leadership of Kim Chong-il's firm ascension to power following his father's death. Song will explain the reality behind the widespread speculation in the West that something is wrong with Kim Chong-il's succession to power and confirm that the junior Kim is firmly in charge, they said.

The North Korean workers' party organ, the NODONG SINMUN, declared Aug. 24 in "a righteous commentary" column titled "Great, Perfect Harmony" that "Kim Chong-il is leading our people to victory, standing firmly in the front of the party, state and Armed Forces."

The "righteous commentary" column in the NODONG SINMUN is regarded as carrying considerable weight as it is approved directly by the power elite in Pyongyang.

Accordingly, it can be considered a declaration that Kim Chong-il has completed his rise to power, the officials noted.

Therefore, they feel that Song has probably gone to China to notify the Beijing leadership that Kim Chong-il has completed all procedures for his succession to power and will soon take the helm.

Should this be the case, Song will call on Chinese President Jiang Zemin and other leaders and inform them when Kim Chong-il plans to assume the posts of Workers' Party general secretary and state president, the officials said.

During his stay, Song might also discuss a possible visit to China by Kim Chong-il. Reports had it that Beijing invited Kim Chong-il to visit China for the 45th anniversary of the founding of the People's Republic of China, which falls on Oct 1, and that Kim declined the invitation. The possibility thus cannot be ruled out that he could visit China to proclaim at home and abroad his firm status as successor to his late father, some said.

The government officials cast doubt on this possibility, however, reasoning it would be more appropriate for either Foreign Minister Kim Yong-nam or Workers' Party Secretary Hwang Chang-yop to perform that task.

Also drawing speculation is the possibility that Song might have gone to China to request food and other economic support. The food shortages in the North are said to have worsened due to massive consumption during the funeral of Kim Il-song and at his memorial rallies. Some reports say that even military grain stocked underground is being distributed to citizens.

Official sources speculate, therefore, that Song may explain the serious North Korean food situation and ask for urgent assistance.

A National Unification Board official said, "the food situation in the North worsens during the winter months. As winter is around the corner, while foodstocks are running short due to the Kim Il-song funeral and memorial rallies, Song might be visiting China to secure food."

Court Rules Against Korean-Chinese on Residency *SK2708123294 Seoul YONHAP in English 0948 GMT 27 Aug 94*

[Text] Seoul, Aug. 27 (YONHAP)—The Supreme Court on Saturday upheld an Appellate Court ruling against a Korean-Chinese woman with North Korean nationality who was trying to obtain a South Korean resident card for resettlement here.

Ms. Han Yong-suk, 51, sued the head of Tangsan 2-tong Office of Yongdungpo-ku after the Tong Office cancelled her resident card on the ground that it had been issued [to] her erroneously.

The Seoul Appellate Court had rejected her appeal, ruling it was illegal for her to forward a certificate of her travel passport nullified whereas she ought to have tendered that of a residence passport nullified.

After her arrival in Korea in 1988 at the invitation of Daewoo Corp., Han applied for and gained a resident card from Tangsan 2-tong in July 1989 based on the Justice Ministry interpretation that "a North Korean citizen is no difference from a Republic of Korea citizen."

Five months later, however, the Tong Office cancelled her resident card on the ground of the lack of the required certificate of the cancellation of a residence passport, a kind of passport issued only to emigrating South Koreans.

Han is a second-generation Korean Chinese born in Shanghai in 1943, who, along with her families, obtained North Korean citizenship soon after the end of World War II.

Han Sung-chu on Japan's Role in North's Opening

SK3108081194 Seoul YONHAP in English 0801 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—South Korean Foreign Minister Han Sung-chu, saying diplomatic normalization between North Korea and Japan may come even before North Korea and the United States establish relations, emphasized Wednesday the important role Tokyo can play in encouraging Pyongyang to open up.

Speaking at a breakfast gathering of the 21st Century Businessmen's Club, Han described North Korea's dilemma—a need to emerge from its economic backwardness and diplomatic isolation but fear of contamination from contacts with the outside world.

"North Korea's top policy priority appears to be improving ties with the United States to come out its isolation," Han said. "If there is progress in ties with the United States, North Korea is likely to immediately pursue diplomatic normalization and economic cooperation with Japan."

"In fact, North Korea's diplomatic normalization with Japan may actually come before diplomatic normalization with the United States," the foreign minister said.

Japan, carrying a firm belief that the North Korean nuclear problem is its own security concern, has maintained close consultations with South Korea and the United States, said Han.

"For our part, we need to keep up, strengthen the cooperative consultation channel with Japan so that we can use North Korea's interest in diplomatic normalization and economic ties with Japan to draw North Korea into pursuing openness and change," he said.

"As an interested party in peace and stability on the Korean peninsula and as the world's second economic superpower, Japan can play an important role in encouraging North Korea to change," he said.

The reason behind Pyongyang's nuclear development ambitions is its failure to adapt to the new post-Cold War world order, Han speculated.

But August's North Korea-U.S. high-level dialogue succeeded in finding the ground for consensus between the two sides and in determining the North's willingness to compromise in solving the nuclear problem, he said.

Government Studies Measures for DPRK Refugees

*SK3108065994 Seoul CHUNGANG ILBO in Korean
31 Aug 94 p 1*

[Report by Kim Tu-u]

[Text] Each office in the government has begun to work out measures to cope with an abrupt, unexpected situation that may take place in North Korea.

The government, in particular, is seeking measures to cope with a large-scale mass defection of North Korean residents to the South, including a plan to support and assist these North Koreans by classifying them as "refugees," instead of the previous status of defectors.

Such steps by the government are to be taken in accordance with President Kim Yong-sam's directive to work out measures for national reunification following an abrupt collapse of the North Korean system. President Kim said earlier that "reunification may come abruptly at an unexpected moment."

A high-ranking official in the ruling quarters on 31 August stated: "The government has worked out the Peace Plan and Chungmu [name of respected 15th century admiral] Plan to cope with a large-scale, mass exodus of refugees if the armistice line collapses. However, these plans do not consider all situations, but will work merely as a certain standard. In view of Kim Il-song's death and uneasiness about the North Korean situation, there is a need to work out more concrete measures."

It has been learned that the government will keep an incumbent law for protection of defected compatriots effective until the number of defectors is within the scope of our society's capacity to accommodate them. However, the government will work out a separate law, like Germany's "Law on Accommodation of Emergent Refugees," to cope with the situation of large-scale defection that may prevail.

In the event that North Korean residents escape en masse to China, Japan, and the like, the government will ask the UN High Commissioner for Refugees to treat them as refugees and also ask these nations to accommodate them as refugees on the condition that our country

will share a certain portion of the expense. However, considering relations with North Korea, the government will not make public details of its plans.

Appointments of Kim Chong-il's Family Opposed

*SK3108011094 Seoul CHOSON ILBO in Korean
31 Aug 94 p 2*

[Report by Kim Song-yong from Hong Kong]

[Text] North Korea's Kim Chong-il wanted to appoint his family members and distant relatives, including Chang Song-taek, his sister's husband; and his classmates from Kim Il-song University, including O Kuk-yol; to important positions in the party, government, and military. However, it has been learned that there is friction with senior political forces over his intent. As a result, he is experiencing difficulties in assuming the positions of the president of the state and general secretary.

Sources knowledgeable in North Korean affairs in Hong Kong said that Kim Chong-il appointed Chang Song-taek, chairman of the three revolutions teams, to director of the organization and guidance department of the party (commonly called Office No. 39), which is in charge of funds and personnel administration of the Workers' Party, on 21 July, immediately after the funeral for Kim Il-song. Following this, Kim Chong-il wanted to appoint his family members and distant relatives to key posts of the party, government, and military. However, senior political forces, who feared an overall generational shift, voiced that a "reshuffle of officials by mobilizing his family members and distant relatives cannot be accepted," thus opposing his plan.

*** Korean Peninsula Prospects After Kim Il-song**

*942C0185A Seoul TONG-A ILBO in Korean
11-16 Jul 94*

[Article in seven installments by reporters: "The Korean Peninsula After Kim Il-song"]

[10 Jul p 2]

[By Pak Che-kyun]

[Text] The death of North Korean President Kim Il-song, the world's longest-ruling dictator in the 20th century, heralds a tremor not only for North Korea and North-South relations but for Northeast Asia and the whole world as well. It is, in fact, no exaggeration to say that North Korea, the last bastion of dogmatic socialism on earth, has owed its existence to Kim Il-song's godlike influence for its people. Therefore, his death means a cataclysmic change coming to North Korea. And that change will likely send huge shock waves through South Korea and Northeast Asia.

First of all, our government inevitably is required to give its North Korea strategy an overall review. It is a fact that the North Korea policy it has pursued since the

division has always been a response—basically to Kim Il-song's South Korea strategy.

It is as yet difficult to tell what type of leadership will emerge in the post-Kim Il-song North Korea. However, observers say North Korean authorities have already been feeling painfully how hard it is to swim against the world historic stream of openness and reform and survive. But under Kim Il-song, they just could not attempt a turnabout, say North-South dialogue sources who met North Korean personages.

Therefore, with the shadow of Kim Il-song, which had covered the whole country for nearly half a century, now gone, it is possible for North Korea to make moves with less constraint. Especially, Kim Chong-il, the party secretary who is to succeed Kim Il-song, once led the "K-K line" of Kim Yong-sun and Kim Tal-hyon in a push for openness. Although reports conflict on his personality, experts agree that there is one thing clear at least and it is that he is interested in an open policy. Therefore, it appears possible that an open policy with a greater sense of speed than under Kim Il-song will emerge if the succession takes place smoothly. It is a prevailing observation, however, that Kim Chong-il is yet to fully consolidate his power.

For instance, the Supreme People's Assembly (SPA) session last December censured him for his K-K line. Considering such factors, the succession process could be anything but smooth. Especially, there are Kim Song-ae, Kim Il-song's wife, and Kim Pyong-il, her son, known to be his political foes. Also, O Chin-u, minister of the People's Armed Forces, who was Kim Il-song's colleague in their guerrilla days and who has been the top leader of the North Korean Armed Forces, is in his heart not satisfied with Kim Chong-il, according to some observers.

Therefore, if those people should form an alliance against Kim Chong-il, it could throw North Korea into utter confusion. Also adding to uneasiness is the fact that the precise cause of Kim Il-song's death still remains unconfirmed.

If such confusion should come to pass, there could be a sudden collapse of North Korea. The South Korean government should be prepared for the contingency.

As a result of Kim Il-song's death, the North-South summit scheduled for 25 July is likely to be postponed. Although our government had expected epoch-making progress in North-South relations at the summit, the first ever since the division, all it can do now for the time being is to watch developments in North Korea with apprehension. It is expected that there will be sweeping change in North Korea's foreign policy, including the nuclear policy.

Therefore, if the succession moves smoothly, its nuclear policy will change noticeably. At the moment, it is uncertain whether it will take on even more hardline

features or show new flexibility; however, the fact that Kim Chong-il relies on pro-opening technocrats like the K-K line seems to suggest a future direction.

When Kim Chong-il consolidates his power, North Korea-U.S. and North Korea-Japan normalization will likely come more expeditiously. This speculation is backed up, especially, by the fact that Kim Yong-sun—who was responsible for American affairs when he was the chairman of the SPA Foreign Affairs Committee—is a key figure for open diplomacy. But all these forecasts are based on the scenario that the Kim Chong-il succession is carried out without a hitch. If a power struggle should occur, nobody will know what may happen next.

[11 Jul p 4]

[By Pak Che-kyun]

[Text] The transfer of power to Kim Chong-il following the death of Kim Il-song appears to be under way with greater speed than anticipated. According to reports, all members and candidate members of the Central Committee of the North Korean Workers Party and deputies of the SPA have been ordered to assemble in Pyongyang by 11 July.

Ostensibly, this could be for giving them an opportunity to express their condolences. It is noteworthy, however, that Pyongyang set the date. The memorial rally is scheduled for 17 July, but they were told to assemble by 11 July. In this connection, observers say that North Korea may perhaps be planning for a plenum of the party Central Committee and an SPA session prior to the memorial rally to have the posts of the party general secretary and the state president officially transferred to Kim Chong-il. Their point is that Kim Chong-il is trying to complete the succession process rapidly to consolidate his leadership.

This remains a minority view for now, however. Would he try to take over so rapidly, however greedy he might be for power? More people think that he would refrain from acting like that, even for the sake of his image in the eyes of the North Korean people. It is impossible, they say, that he will hold a meeting and allow ovations and applause in the middle of a mourning period.

More prevalent is the observation that the call-up is for the first testing of loyalty to the Kim Chong-il leadership. These observers also say that considering the fact that the 248 full members of the party Central Committee and the 687 members of the SPA (allowed to hold concurrent posts) represent real powers in the North Korean hierarchy, it is possible that Kim Chong-il called them in to Pyongyang to "manage" them. Especially, at a time when his position is yet to be solidified, he is trying to prevent any plotting for a coup d'état just in case, they say.

According to them, a party Central Committee plenum and an SPA session will be held one after another to elect

party general secretary and state president. The reason that North Korea is trying to complete the succession process at an early date stems from its legal system.

The North Korean constitution has no provision covering cases in which an "accident" befalls the president. Nor does the Workers Party constitution concerning its general secretary because such provisions constitute blasphemy against Kim Il-song. Thus, it is legally impossible to have an acting president or an acting general secretary. Therefore, there is no alternative but to elect the president and the general secretary at an early date.

In connection with Kim Chong-il's official succession, two new possibilities have emerged thus far. First, it is said possible for him to have the power of the party general secretary transferred to him prior to the memorial rally.

According to them, an open Central Committee plenum will be deferred and instead a secret plenum can be convened to have the general secretary post transferred to him. In North Korea, a "party state," it is essential to first control the party in order to seize state power.

Therefore, it is possible that this part of the power transfer will not be delayed until after the memorial rally. The point is that you cannot rule out the possibility of Kim Chong-il having the general secretary post transferred to him at a secret Central Committee plenum, then convening an open plenum or a party congress after the funeral to have the action confirmed.

There is another analysis that Kim Chong-il will take only the post of the party general secretary—who holds all the real powers—for now, leaving the state president post, a figure-head post, for Kim Yong-chu, 73, or O Chin-u, 84, to take. In other words, Kim Chong-il might settle for being the party general secretary for now rather than risking a downfall trying to occupy both posts, and hand the state president post over to the conservative faction in the military or an elder statesman.

In this case, his calculation will be that since both Kim Yong-chu and O Chin-u are old, it is just a matter of time until he gets that post, too. But there is a drawback to this scenario: It clashes head-on with the image of Kim Chong-il the Leader and the Successor to Kim Il-song that has been planted by propagandists among the North Korean people.

At any rate, judging from Pyongyang's moves confirmed thus far, it seems reasonably safe to conclude that Kim Chong-il's succession process to be the party general secretary and the state president is in progress apparently with no particular problems, setting aside the question of speed.

[12 Jul p 4]

[By Hwang Yuk-song: "North Korea Likely To Adopt Chinese-Style Gradual Opening"]

[Text] North Korea's domestic policy direction following the death of Kim Il-song is likely to be determined within two major frameworks—the consolidation of the Kim Chong-il leadership and its preservation. Experts observe that to that end, Pyongyang, in establishing and implementing its policies, will effectively highlight the ideological and political "identity" or reconcile the "difference" between him and Kim Il-song depending on the circumstances.

Generally, they agree that "identity" of the leaderships will be emphasized in the ideological and political aspects while, in the economic and social aspects, North Korea will explore "difference" with gradual opening to resolve the complaints of the people. Especially, with a view to emphasizing the difference and produce something new as its achievement, it seems highly possible that in its South Korea policy, too, the Kim Chong-il leadership will alter the old course and come up with something new and epoch-making, on a medium- and long-term basis.

To prevent internal confusion and ensure the solidarity of the people, North Korea is expected to, first of all, focus on ideological education stressing the ideological identity between Kim Il-song and Kim Chong-il.

It will give the *chuche* ideology and "our way of socialism" positive reinterpretations, instilling them into the people without abate, and, by doing so, will endeavor to lay the foundations to justify the father-to-son succession and consolidate the new leadership.

This method bears close resemblance to the ideological education reinstituted by countries like China after the collapse of the East European nations and the Soviet Union. At the time, China kept urging its people to strive for the construction of "Chinese-style socialism" while stepping up the ideological education for them to increase their vigilance against "*he ping yan bian*" (capitalist plot to overthrow the peaceful regime during a socialist crisis or peaceful evolution).

North Korea also asserted in 1992—in a dissertation by Kim Chong-il entitled "Historic Lessons of Socialist Construction and the General Line of Our Party"—that "socialism has come to suffer a temporary setback because some countries failed to practice true socialism." It thus signaled the strengthening of its ideological education. Under the present circumstances, it is again expected to devote all its energies to defending its system, using such expressions as "the invincible Socialism Our Way."

However, in North Korea, unlike China which is currently enjoying vigorous economic growth, grave economic difficulties are the biggest complaint of the people. Authorities, aware that slogans and ideological education alone are not enough to firm up the new leadership, will focus on overcoming these difficulties, say experts. As for consolidating his leadership, Kim Chong-il has no alternative but to seek a policy shift for

relieving the people of their difficulties to decisive degrees, they say. In their analysis, he is in fact more interested in an open economy than Kim Il-song was.

Beginning in the 1980's, the early days when he was being groomed as the successor, Kim Chong-il made it his priority task to improve the people's standard of living, pursuing policies giving priority to light industry development. And in doing so, he had many economic bureaucrats working directly under him.

As part of his economy-first policy, Kim Chong-il promoted Hyon Mu-kwang, an expert in the machine and munitions industries, to be party secretary in 1981. And in 1982, he named Yi Chong-ok, an economic expert, to the post of premier of the State Administration Council. In 1984, especially, when change in the North Korean economic policy became increasingly conspicuous, Kang Song-san, also an economic expert, was named to the premiership to push on with bold economic reform policies. At the same time, an "Economic Policy Commission" was created under the Central People's Committee, showing his strong will for an economic recovery. Symbolic of the economy-first policy at the time was the enactment of a "joint venture law."

Then in 1992, when the North Korean economy repeatedly registered negative growth, Kang Song-san was again named to the premiership to vitalize the external economy and Kim Tal-hyon, known to be the standard-bearer for reform and openness, to a vice premier to lay a firm foundation for openness. Then, Kim Chong-il pushed for designation of Najin, Sonbong, and Nampo as free trade zones and for the development of agriculture, foreign trade, and light industries as the Three Priorities. He even sought briefly joint ventures with South Korea and Western nations.

Officials currently known to be close to Kim Chong-il are mostly economic technocrats. This is one of the factors raising the expectation that his regime will, in its domestic policy direction, focus on the economy.

In its push for an open economy, however, North Korea is expected to follow the Chinese model set by Deng Xiaoping and seek gradual opening, rather than a radical opening as Khrushchev attempted in the former Soviet Union. Like China, North Korea will likely be part-socialist and part-capitalist, its political system being socialist and its economy capitalist.

It is in its South Korea policy that the new leadership is expected to show its difference most conspicuously.

From a short-term standpoint, it is realistically difficult for North Korea to make some positive proposals or take an offensive as it will be preoccupied with consolidating the new leadership. Consequently, this consolidation process could create a strained relationship temporarily. But on a medium- and long-term basis, Pyongyang will likely take the offensive for unification and, at the same time, seek peaceful coexistence through better relations.

The reason is that, realistically, such improvement in its relations with the South can directly lead not only to an economic recovery but to its normalization with the United States and Japan as well, and that the Kim Chong-il leadership can certainly tout it as its achievement to build a support base.

[13 Jul p 4]

[By Kim Cha-su: "North To Maintain Existing Framework in Foreign Relations"]

[Text] Currently, a dominant expectation is that the new leadership being installed in North Korea will adopt an open foreign policy. But in North Korea, which has maintained a one-man dictatorship, it is the domestic political situation that decisively influences the direction of its foreign policy.

In case Kim Chong-il, party secretary, succeeds President Kim Il-song and takes over all the posts he held, he is expected to focus for the time being on overcoming the shocks and crisis created by Kim Il-song's death and on consolidating the new regime. Kim Tong-song, political science professor at Chungang University, said "the next three months is important for Kim Chong-il because it will determine if he is in control." "Judging from developments so far, he will try to stabilize foreign relations by following the Kim Il-song-era policy and, by doing so, avert domestic unrest, rather than attempting to modify the existing foreign policy extensively," he predicted.

In its diplomatic efforts, North Korea is expected to focus, first of all, on strengthening friendship and cooperation with China, its only guardian state. If the new leader obtains China's endorsement, it can work as a protection against possible domestic unrest as an aftermath of Kim Il-song's death. China, for its part, is also expected to increase its support as it sees the stabilization of North Korea, its neighbor, as essential in ensuring the successes of its own economic development and its policy of reform and openness.

North Korea is likely to begin showing gradual change in its foreign policy when it regains domestic stability to some degree. In particular, for refloating its economy from the present state of dire privation, it cannot but resort to an open policy, because, if it should fail to improve the nation's economic conditions, it can trigger social upheaval.

The question is the scope and speed of its process of opening to the outside world. And, in respect to the speed, it can be said that the most important indicator will be its response to the nuclear issue. In order for Pyongyang to improve its relations with the United States and other Western nations, the nuclear issue has to be resolved first. Kim Il-song, immediately before his death, made clear his will to settle the nuclear issue by announcing his plan to freeze North Korea's nuclear development program and proposing resumed negotiations with the United States and a North-South summit.

In this connection, Prof. Kim Tong-song said "by creating a climate for the resumption of dialogue with the United States and for a North-South summit, Kim Il-song set, in effect, a general direction in the opening process." "Consequently," he noted, "Kim Chong-il will push ahead with his foreign policy within this framework, I think."

Pak Chong-chol, staff researcher at the Research Institute for National Unification also said that "with a view to securing domestic stability and gaining international support, Kim Chong-il will try to achieve some visible gains in the foreign policy area." "He will, therefore, assume a positive stance toward dialogue with the United States, under the pretext that he is bringing the cause he has inherited from Kim Il-song to completion," he said.

After Kim Il-song's death, North Korea temporarily suspended its three-stage high-level talks with the United States in Geneva only after making it clear that it will resume the talks in the near future. This also proves Pyongyang's intention, according to Pak. So, North Korea will probably resume its negotiations with the United States on the nuclear issue toward the end of this month.

It is highly possible that Kim Chong-il will then try to establish diplomatic relations with the United States as soon as possible. This is because, when the relationship with the United States is thus improved, he can play it up as his achievement and use it in promoting domestic stability. Meanwhile, the United States also finds it necessary to resolve the nuclear issue, even if it means using rapprochement as a decoy. So, the possibility is high of North Korea-U.S. rapprochement coming more rapidly than anticipated.

As preconditions for normalization, however, the United States is seeking, besides the resolution of the nuclear issue, solutions to other problems—North Korea's development and exports of long-range missiles, its terrorism, and the North-South confrontation. Therefore, the official establishment of normal diplomatic relations could take a bit more time.

After that, North Korea will probably attempt at a rapprochement with Japan. It is in a position to make Japan pay reparations for its imperialist days' colonial rule as a condition for the establishment of normal diplomatic relations. This will help North Korea overcome the present economic difficulties to a great extent. The emergence in Japan of a socialist prime minister could be another favorable factor, for the Japanese Socialist Party is on friendly terms with Pyongyang.

As regards the method of the opening, considering the shock-absorbing capacity of the people, it will possibly be limited to the economic sphere. A dominant view is that such an opening will be made on a limited basis and in the form of encouraging foreign investment in special economic zones such as Najin and Sonbong. This is

because of fears that a sudden, large-scale opening will be a shock to the people who have long been accustomed to life in a closed society.

Also, for the purpose of demonstrating internationally that North Korea is going strong even after Kim Il-song's death, Pyongyang is expected to continue its diplomatic offensive toward the Third World. But more analysts say that Kim Chong-il lacks Kim Il-song's charismatic reputation in the international community and that, consequently, he will not come to the fore in person.

[14 Jul p 6]

[By Hwang Yuk-song: "Kim Chong-il Likely To Consolidate Leadership Through 'Dialogue'"]

[Text] The change of the top leader in North Korea is expected to inevitably lead to change in North-South relations one way or another. The emerging new relationship is likely to be much broader in its "variable scope" than it was when President Kim Il-song was alive. And the prospect brings us both hope and anxiety.

Experts on North Korea mostly say that Pyongyang's South Korea policy will for the time being continue on the same keynote as immediately before Kim Il-song's death, namely, dialogue.

Their forecast, however, is linked, in its validity, to the question of how firmly Kim Chong-il will consolidate his power as the new leader. It is because Pyongyang's South Korea policy in the past alternated between the two diametrically different patterns, "appeasement" and "defiance," but always on the same line reflecting the interests of the preservation of the Pyongyang regime.

Expectations that North Korea under the Kim Chong-il leadership will continue to pursue dialogue-oriented policies are primarily based on the analysis that he needs, among other things, time to consolidate his power and therefore will not risk disrupting the ongoing dialogue.

Observers cite another factor and it is that North Korea could dodge international sanctions over the nuclear issue by proposing a North-South summit and resuming high-level talks with the United States. In this situation, they note, it will not dare to give rise to "negative materials" for the Kim Chong-il leadership by disrupting dialogue.

North Korea indeed requested on 11 July "postponement," not cancellation, of the North-South summit. It reportedly even suggested an early holding of it in August, showing its strong interest. However, there is another analysis indicating that one cannot rule out the possibility of Kim Chong-il coming up with a hardline proposal to temporarily create tensions if the succession process should fail to proceed smoothly and if an unexpected upheaval should occur inside North Korea.

Also, according to another analysis by experts, even if North-South dialogue should become a reality, there will be no major change in Pyongyang's unification policy, at least on a short-term basis.

The reason is that North Korea's unification policy, including the ideology behind it, has been the basis on which its regime has maintained its legitimacy, and that it is beyond Kim Chong-il's capacity to attempt to alter it overnight.

This analysis is supported by the fact that even after the death of Kim Il-song, North Korean broadcasts kept repeating that they will continue to uphold the *chuche* ideology and the 10-Point Program of National Solidarity for the Cause of Socialism Our Way.

North Korea has thus far viewed the South as an object of its *chuche* ideology program, with its propaganda claiming that the current economic ordeals are a process for liberating the compatriots in the South from exploitation under "the yoke of U.S. imperialist colonialism." Also, for its cause of the liberation of South Korea, North Korea continued to exhort its people to unite under the unitary system of Kim Il-song and Kim Chong-il. Therefore, according to this analysis, an abrupt shift in Pyongyang's South Korea policy could spell a potential collapse of North Korea.

Experts say, however, that when the Kim Chong-il leadership establishes itself firmly, it is highly possible that it will come up with a new unification plan seeking peaceful coexistence.

Their view is based on the fact that it has long been known that Kim Chong-il, despite his shortcomings in diplomatic experience, has accumulated a great deal of experience through his deep involvement in Pyongyang's South Korea operations. As a result, one can conclude that he will very likely attempt at a breakthrough in a sphere he is familiar with, namely, North-South relations, to enhance the image of his ruling ability.

Also among the factors compelling Kim Chong-il to explore an epoch-making policy shift are the ideological uneasiness stemming from the collapse of the socialist camp and the huge national power gap between North and South Korea, as well as the grave and chronic economic difficulties.

Experts predict that there is no alternative for Kim Chong-il but to take into account the domestic and international situations that are totally unfavorable for his regime and, on that basis, work out an institutional device that can guarantee the continuity of the North Korean government and prevents an absorption-type unification, and to bring the West to endorse it.

In this case, they say, North Korea will come to show its sincerity for the summit, taking the South's coalition plan into consideration.

The South Korea policy staff under Kim Chong-il are made up by conciliatory and open-type personalities, and this fact is viewed as another factor raising the expectation that Pyongyang will show a positive attitude toward the South.

In late 1992, North Korea replaced Yun Ki-pok, a hard-liner, as party secretary in charge of South Korean affairs, with Kim Yong-sun, an expert of diplomatic affairs with the West. Last year, it named the latter to concurrently be the chairman of the SPA Reunification Policy Committee, showing a positive stance for dialogue with South Korea.

Kim Yong-sun was seen standing right behind Kim Chong-il in the memorial service for Kim Il-song held on the evening of 11 July despite his 29th ranking on the roster of the funeral committee, prompting speculations about Kim Chong-il's deep trust for him and Pyongyang's conciliatory trends.

However, one thing will likely remain unchanged: All the expected changes in Pyongyang's South Korea policy will materialize only under the condition that the preservation of the North Korean regime is guaranteed. And general expectations are that once North Korea decides that the condition is not met, it will no doubt shut the door again at any time.

[15 Jul p6]

[By Pak Che-kyun]

[Text] The death of Kim Il-song itself heralds a basic, overall review of North Korea policy that has been in place since the end of the Korean War. It is because the formulation and implementation of North Korea Policy thus far has been guided solely by one concern—how to best respond to Kim Il-song's South Korea strategy.

Kim Il-song, a dyed-in-the-wool communist, used communization and united-front tactics as the basis in preparing and implementing his South Korea strategy. Thus, our North Korea policy was compelled to focus on analyzing its intent and thwarting it in advance.

"Reciprocity," the time-honored principle in our relations with the North, stemmed from this background. It means a one-to-one response, namely, that "we do for the North as much as it does for us." For instance, if a North Korean visits the South once, a South Korean counterpart will visit the North once.

Originally, this reciprocity was based on the thinking that since North Korea's intent toward the South is impure, we should do for the North absolutely not more than it does for us. Thus, our North Korea policy, designed to contain Pyongyang's moves and stick to reciprocity, has been compelled to be on the defensive.

It can be said, therefore, that Kim Il-song's death has given the South a chance to stop just watching for what the North is after, and to instead take the initiative toward the North. This points to No. 1 potential change in North Korea policy.

Next, it should be noted that our North Korea policy can change in a markedly practical and pragmatic direction.

It is a fact that North and South Korea have thus far viewed each other only from a tactical standpoint.

It was a practice in negotiations with the North that we set out demanding more than we actually want, then compromise and settle at a level as we originally planned. It was also a fact that such tactics always led to a war of attrition.

However, unlike Kim Il-song whose priority was ideology, Kim Chong-il is known to be quite pragmatic. He reportedly said recently that the North Korean people "are all aware that South Korean products are good in quality. Therefore, such acts as tearing the labels off South Korean products or replacing them with Japanese labels should be banned." Moreover, Kim Yong-sun, chairman of the SPA Reunification Policy Committee, who is close to Kim Chong-il and in charge of South Korea policy, is also known to be a very pragmatic person. Kim Yong-sun was the senior North Korean delegate to the preliminary contact to prepare for the summit. In that contact, when our side showed its plan putting the size of our delegation and reporting crews at 180 persons, it of course expected him to move for a sharp cut. He accepted the plan with a good grace, however, much to the surprise of our side, according to reports.

Third, future North Korea policy is likely to focus on economic aspects. Kim Chong-il's confidants are mostly economic technocrats, a fact indicative of his interests in economic development.

Especially, Kim Tal-hyon, former vice premier, who is his No. 1 confidant, and who fell from grace at the SPA session in December last year for his push for an open economy, is deeply interested in North-South economic cooperation. As his comeback is expected, the likelihood is high that North-South dialogue will also follow a course centering on economic matters.

In this case, a line of open-economy advocates formed by Kim Tal-hyon, Yi Song-tae, chairman of the External Economy Committee, and Kim Chong-u, vice minister of external economic affairs, is expected to play a major role, according to an analysis by experts. Our government, for its part, is expected to take this possibility into account and use economic cooperation as a bargaining chip effectively—and as a lever to move the Kim Chong-il regime.

Fourth, the South could begin specific efforts for the prospective unification of the Korean Peninsula. Our government authorities think that a North Korea under Kim Chong-il will be less dogmatic and more flexible than in the Kim Il-song days. Therefore, they expect that, after securing better North-South relations through dialogue centering on the economies, they will be able to enter a full-scale debate on the unification issue including the "North-South coalition plan."

Fifth, our government will likely be inclined to support the continuation of the North Korean regime far more

than it was when Kim Il-song was alive. Unification-related experts are mostly of the opinion that North Korea is more prone to collapse under Kim Chong-il than under his father.

Therefore, the South, seeing it as burdensome to absorb a North Korea that has collapsed, is expected to take measures to basically prevent the North from disintegrating. Giving the Kim Chong-il regime assurances of assistance through the summit is one of the ways under study. Nevertheless, the South should be prepared for a collapse of North Korea that could come anyway, and to that end, due attention should be paid to matters such as expanding the unification fund.

[16 Jul p6]

[By Kim Cha-su: "A U.S.-Japan-China-Russia 'Influence' Race"]

[Text] Following the death of Kim Il-song, the United States, Japan, China and Russia are making as busy moves as South Korea is. The big four know that they will possibly suffer irrecoverable damage in their respective interests should they fail to properly respond to the change in the Korean Peninsula. Therefore, they have already begun visible moves to expand their influence on the North and, through it, gain the initiative on the peninsula. Commenting on their moves, Yi Ho-chae, political science professor at Korea University, said that "they seem to have their common interest focused on how North and South Korea will maintain their coexistence while preserving peace and stability." "They think that Kim Chong-il, as a new leader, is likely to attempt to alter the North's foreign policy course," he noted, "and it is in this anticipated process that the big four are apparently trying to expand their influence."

Many observers point out that in order to exploit the power change in the North as an opportunity to accelerate unification, our government should thoroughly analyze the moves of the big four and respond positively. It should be noted that the United States currently is in a strained relationship with North Korea because of the nuclear issue. Now that Kim Il-song is dead, however, Washington is, by all indications, shifting away from the policy viewing North Korea as a target to be punished or eliminated and, instead, trying to induce its opening through dialogue. President Bill Clinton issued a statement offering his condolences and saying that "I hope that the suspended three-phase U.S.-North Korea high-level talks will be resumed at an early date," in what appeared to be a move reflecting the U.S. intention to maintain the basic channel of dialogue. Through an early resolution of the nuclear issue, especially, the United States seeks to increase its influence on North Korea to contain the Chinese influence. It is because the United States, vexed by the nuclear issue for more than a year now, was compelled to rely on the Chinese influence on Pyongyang to significant degrees, a fact hurting its pride.

Japan, too, is trying to curry favor with the Kim Chong-il regime so as not to miss the boat to make inroads into

North Korea. It seems to be wary of losing its influence as it lags behind the United States in the race of rapprochement with the North. Showing the carrot to Pyongyang, Japan says that it will pay reparations for the imperialist-era colonial rule when they establish normal diplomatic relations and that Japanese businesses will help the North Korean economy much when they set up operations in North Korea. It already conveyed on many occasions its readiness to resume normalization talks even before a settlement on the nuclear issue. Should North Korea accept the offer, therefore, it is highly possible that the two countries will get on with normalization talks in earnest.

Based on its long revolutionary relationship with North Korea, China is also making moves to further increase its influence. It absolutely does not want to see North Korea's stability shattered after the death of Kim Il-sung. It is because only when North Korea, a country sharing the same consciousness with China, maintains its stability can China push on its economic development and the policy of reform and openness. Furthermore, if its influence should give way to the U.S. advances, it will bring China and the United States face to face. For this reason, China apparently wants to see North Korea remaining a buffer zone. It seems to be precisely for this reason that on Kim Il-sung's death, State President Jiang Zemin, Premier Li Peng, and Qiao Shi, then chairman of the Standing Committee of the National People's Congress, sent a message of condolences, which, in effect, recognized the Kim Chong-il leadership.

Meanwhile, Russia's reaction is that it will keep a close watch on developments in North Korea, for it makes a big difference whether it has Kim Il-sung or not. While it is also interested in increasing its influence on Pyongyang, Russia currently is somewhat showing reservation because it has no chip for bargaining. Since its normalization with South Korea, Russia and North Korea have been estranged from each other. For a recovery, Russia must be able to extend economic assistance to North Korea. Currently, however, it is not in that position.

Thus, the big four with interests on the Korean Peninsula, while keeping a close watch on changes taking place in North Korea from their respective calculated standpoint, are engaged in pragmatic diplomacy. They indeed desire the preservation of peace and stability on the Korean Peninsula but there is a problem: While this fact has an affirmative significance on a short-term basis, it could be, on a long-term basis, an indirect indicator that the big four are even against change toward unification.

Therefore, in order to steer changes on the Korean Peninsula after the death of Kim Il-sung in a positive direction such as toward unification, our government should take the initiative and lead the moves of the big four, observers say.

* 'Balanced', 'Rational' Response to North Urged

* Government Lacks Information

942C0161A Seoul HANGYORE SINMUN in Korean
17 Jun 94 p1

[Editorial: "Why Is It Like This?—We Urge the Government, Media and Public To Make a Rational Response"]

[Text] A crude "war atmosphere" ... student demonstrations protesting the sort of crisis feeling fueled by the government ... the impatient look on the faces of housewives in lines at every store to buy food for an emergency—all these combined in June 1944 to give the Southern side of the Korean peninsula a chaotic yet slightly strange aspect. At junior and senior high schools, students were caused to sweat playing a "war game," ducking under desks in the middle of classes, while the training scenes of men climbing down ropes from the 20-story Integrated Government Building on Kwanghwamun St.—a symbol of our government—were broadcast very vividly, even by the French state television. By contrast, a CNN live coverage of Carter's North Korea visit described Pyongyang as maintaining, ostensibly, a "calm, business-as-usual atmosphere."

A cool review of developments tells us that it was the government and media that first stirred up the kind of crisis feeling among the public. It was the government that, when Pyongyang threatened that it "will consider international sanctions a declaration of war," chided our "naive" citizens—who were then absorbed in Memorial Day outings—for being "insensitive to security." And it was mass media that produced, and reproduced on a progressive scale, a war scenario based on the calculated jingoism of the U.S. conservative hard-liners'. Furthermore, the government's unwarranted "anticommunist" offensive against student movements, labor, publishers, and writers, combined with the media's indiscriminate attacks against the "political dissent" which they labeled as a "divisive act in wartime" and "behavior befitting only persons adjudged politically incompetent," fanned the sense of crisis to escalate it geometrically. The uneasiness across the nation quickly mounted, in particular, in the wake of the North Korean declaration of its withdrawal from the International Atomic Energy Agency. Then, there was the clumsy government action changing the routine civil defense exercise into a war-time anti-air raid training to whip up war hysteria dramatically.

It seems that in the background of the escalating crisis, there possibly was the administration's calculated attempt to overcome a political crisis, brought on by its swaying back and forth and stumbling over the North Korean nuclear issue, the confusion culminating in the "Sangmudae scandal" and criticisms of its summit diplomacy, by setting the stage for a "new round of repressive politics." The "anxiety for war" thus heightened to the limit, led to public unrest, driving them into acts like hoarding. Externally, it led to setbacks in the

appraisals of Korea by foreign financial institutions, spawning speculations that overseas investors might avoid Korea. As the situation came to this, the government belatedly moved to put out the fire. That precisely is where we stand now. In short, a not-so-thoughtful political response to a crisis created by the nuclear issue led to a self-contradiction as it ruined economic stability.

Under these circumstances, there is a need for us to pay some serious attention domestically, to the nationwide citizen peace movement led by chaeya [reformist camp] activists and religious groups, and externally, to the efforts for a peaceful settlement on the nuclear issue being made by religious figures, peace advocates and other moderates, even in the United States where authorities are unhesitatingly talking about a preemptive strike against North Korea. While the government and media were fanning crisis feelings and some of our people were absorbed in hoarding, they were devoted to the common goal of mankind, insisting that there should be no war on the Korean peninsula no matter what. Now, the government should bear in mind that the best way to overcome this confusion and crisis is, precisely, to humbly review problems in its response to the nuclear issue and give the people assurances that it will and can prevent war under any circumstances.

Regrettably, the government has so far made no serious efforts to persuade the public and have them correctly understand its policy in the North Korean nuclear issue. As far as that issue was concerned, all that we had was a one-sided assertion by the government; both media and scholars failed to raise a balanced, open debate. After all, even before they were duly informed of government policies, and of the truth about the North Korean nuclear program, people were driven into fears of war and emergency food hoarding as we saw it. This is the reason why the government—while it prepares for the contingency as thoroughly as it ought to—should correctly inform the people of developments in the situation so that they can form a rational judgment for themselves. At the same time, one cannot overemphasize how important it is for each and every citizen to realize the urgent need for citizen solidarity and participation in the peace movement for a peaceful settlement on the nuclear issue through dialogue and, ultimately, for the prevention of war on the Korean peninsula.

* Kim Kun-tae's Dissident Movement

942C0161B Seoul MAL in Korean Jun 94 pp 84-87

[By reporter Kim Chong-won: "Kim Kun-tae and People of the National Conference"]

[Text] As chaeya [reformist camp] forces finding their ways into the political sphere are becoming a focus of attention, the National Conference for Unification-Era Democracy has begun its activity. What kind of organization is this group led by Kim Kun-tae? Who is in it and where is it heading?

Successful Inauguration

On 23 April, in the main hall on the 18th floor of the TONG-A ILBO building on Chungjong St., Seoul. The not-so-large hall and hallways were crowded with people. Many of them were key chaeya activists. Among them were Chairman Yi Chang-pok and other leaders of the National Alliance [for Democracy and Unification]; religious leaders like Rev. Chison, Buddhist, and Father Ham Se-ung, as well as Chang Ki-pyo and other chaeya personalities and those who were associated with chaeya in the past. They all came to offer their congratulations. Also present was Kim Mun-su, who recently joined the Democratic Liberal Party. In the lobby to the hall, Kim Kun-tae, who had prepared for the inaugural rally, was receiving people arriving for the event, with a beaming smile which he had not shown for some time. One after another, guests said "Congratulations!" to him and he responded "Thank you."

The Working Committee of the National Conference for Unification-Era Democracy (the National Conference in short) had its official inauguration on that day, culminating a longtime effort of the National Forum for a New Political Organization [NFPNO]. The inaugural ceremony attended by some 400 was basically successful. "We didn't expect the inaugural rally to turn out so successful," said a working-level official who managed the event. Most of the influential figures who currently represent chaeya or had connections with chaeya in the past were there showing their expectations or wishes for success of the newly launched movement.

The National Conference leadership is represented by a presidium formed by co-chairmen. Five senior religious leaders and chaeya figures were elected to it that day. Among them was Father Kim Pyong-sang, representing Catholics. Father Kim served as a cochairman of the National Federation of Catholics for the Realization of Justice in the past and is currently chairman of the board of directors of the Korea Christian Thought Research Institute. On behalf of Protestants, Rev. Kim Sang-kun was elected as a cochairman. Rev. Kim, director of the Missionary Work Education Center of the Korean Presbyterian Church, is a chaeya senior religious leader. He has been active mostly in media-related fields, serving in the past as a committee chairman in the Christian Movement to Refuse Payment of KBS Viewer Fee and as a cochairman of the League to Monitor Election Returns.

Han Sung-hon, lawyer, represents legal circles on the Working Committee. He worked for the promotion of human rights while chairman of the Human Rights Committee of the Korean National Council of Churches (KNCC). He also served as a cochairman of the National Movement Headquarters for a Democratic Constitution [NMHDC], a leading group in the June, 1987, resistance movement. Thus, Han has been active in many civil movements. Kim Hui-son, known as chaeya's heroine, was also elected cochairwoman. She was the chairwoman and speaker of the Standing Executive Committee of the

NMHDC Seoul Headquarters in 1987, and later a vice president of the Korea Federation of Women's Organizations. She is also an activist for national reunification who served as an executive member of the former Preparatory Committee for the Southern Headquarters of the Pannational Alliance for National Reunification, and as chairwoman of the Committee for Independent Reunification of the National Alliance.

From the Buddhist circles, Rev. Chison, a central figure in the Chogye Order reform movement, was elected cochairman. Since the subsequent "Chogye Order upheaval," however, he has assumed a heavy responsibility in an internal committee of the order to bring the situation under control. So, another Buddhist cochairman will be elected in the future to replace him. Kim Kun-tae was also elected cochairman. He had been preparing for the inauguration for a long time; consequently, one may say that he is in fact the permanent chairman of the National Conference Working Committee.

To Lead a Drive To Turn Chaeya Into Political Force

Prior to the inauguration, this reporter interviewed Kim Kun-tae at the National Conference office on Sodaemun St. on the trends of chaeya figures making their ways into the institutional political sphere and the future of the National Conference. Questions and answers in this interview follow:

[Question] Many chaeya personalities are trying to find their ways into the institutional political sphere these days. What do you think about it?

[Kim Kun-tae] "I believe that there is a need today even for chaeya to make inroads into the institutional political sphere. But there is one thing that they bear in mind. It is that they should do so 'collectively' and 'successfully.' It is necessary, I think, for them to get involved in political movements if they are to more effectively contribute to developing social and mass movements for the cause of democracy and national reunification. Political and social movements are inseparable and they must be developed simultaneously."

[Q] Haven't you been invited to join a political camp thus far?

[Kim] "In the 12 February, 1985, general election, Kim Yong-sam, the president now, personally asked me to be a candidate from Chung-ku District, Seoul. That was the first invitation for me. The second invitation came from Kim Tae-chung when his Party for Peace and Democracy was reorganized into the New Democratic Party in 1991. He sent Yi U-chong and Cho Se-hyong over to see if I were interested in joining them. On both occasions, I turned them down because the activist camp then was not internally ready to accept such offers. Even at the time, I thought that it was not right for chaeya activists to individually move into the political sphere."

[Q] But there were instances of chaeya figures moving into the political sphere individually at the time. Do you mean that they were wrong in doing so?

[Kim] "In the days of Chonminnyon [National Democratic Alliance], there were controversies over them. However, those were the days of confrontation between democratic and antidemocratic forces, and it was more important to organize democratic forces into a great alliance. My position was that chaeya's march into the political sphere should also be based on that great democratic alliance. At the same time, I thought that it was also necessary to actively explore for chaeya's own political movements."

[Q] What had led to the creation of the NFNPO which worked to prepare for the formation of the National Conference Working Committee this time?

[Kim] "Through the days of the No Tae-u government, our confrontation was with the military regimes and we had to appeal for mass participation in that confrontation. To that end, demonstrations were a major political weapon in those days. But this has changed now. In our judgment, there has been progress in terms of procedural democracy since the 1992 presidential election; essentially, however, it is a limited democracy that the new government is practicing. The democracy vs. antidemocracy setup is still continuing. The reform vs. conservative confrontation is a variety of the democracy vs. antidemocracy confrontation. In this type of confrontation, issues cannot be resolved by rallies and demonstrations alone. Priority is on verbal competition. In other words, we are required to produce alternative plans. In the days of military dictatorship, the pro-democracy struggle itself was national consensus and an alternative. Today, however, the reforms are basically a good thing and, therefore, we are required to show our alternatives on priorities, costs and efficiency of the reforms. To build an organization with that capability, we formed the NFNPO."

[Q] What did the NFNPO discuss specifically?

[Kim] "First of all, it had to review developments since the 1992 presidential election. The former 1992 National Conference collapsed with the election defeat, and there was no consensus in the National Alliance or other grass-roots democratic movements as to the new situation. After the review, the NFNPO agreed on the need for building a broad, great democratic alliance. Thus, a consensus centering on the masses was formed but the forum failed to define a specific course. The forum then concluded that the Kim Yong-sam government has brought about no progress at all in the basic rights of the masses and North-South relations, and that worse yet, there has been no essential change in these areas under the new government."

[Q] Could you explain how the National Conference was conceived?

[Kim] "An evaluation of the situation by the then National Conference for Democratic Reforms and Democratic Government following the establishment of the Kim Yong-sam government in 1993 marked the start of the movement. But no progress was made in forming a

political national movement body until 16 July 1993, when some 130 activists met in (Comppengttwal) Convent in Seoul for the first time to begin a debate. Through the debate, the activists from various regions and sectors created the NFNPO in late July, forming its Council of Responsible Officers. They sought to develop political and mass movements separately under as many accords as possible.

"Groups accepting the proposed great democratic alliance had vigorous debates for eight months but they could not arrive at an accord. Most of the activists couldn't come out of the movement's slump or were absorbed in shoring up their organizations, spawning fears that the chaeya movement, which should demonstrate solidarity and cultivate its strength, is failing to achieve consensus and unity within the movement, that it is more interested in finding a place in the institutional political sphere.

"In early 1994, the NFNPO held the 15th meeting of the Council of Responsible Officers and decided to form the projected Working Committee by the end of April. It also decided to hold an expanded meeting at Sungsil Women's University on 12 March, adopting managerial regulations, work programs and agenda."

[Q] I heard that the organization's original name was changed abruptly. Is there any difference over the organization's objective?

[Kim] "The original name, picked in the course of a debate, was the National Conference for Unification-Era New Government. It was changed because of criticism that it exceedingly highlighted the relationship between the orientation of the National Conference and the institutional political sphere."

Is It a Chaeya Organization or a Political Organization?

[Q] What is the agenda you have?

[Kim] "According to plans, which are yet to be put to a debate by the Working Committee, the National Conference—including its local chapters—will be officially launched by October."

On the same day, while the inaugural ceremonies were in progress, the National Conference side held a news conference in the Tonga Club on the 17th floor of the same building. Lawyer Chon Chong-pae, introducing himself as spokesman for the National Conference, answered questions concerning the new organization, which had been the talk of the town.

[Question] What is the identity of this organization? Is it a political organization? Or a chaeya group?

[Chon Chong-pae] "It will be fair to say that it is dedicated 60% to social movement and 40% to institutional politics. The conventional chaeya movement

should change because it lacks the capability of producing alternative plans. From now on, chaeya should have its political aspirations."

[Q] Is the National Conference's future goal to become a political entity?

[Chon] "Chaeya has a record of successful antidictatorship struggles. However, it is weak in the quiet policy-making of the civilian government era. Political organizations and the National Conference Working Committee are among the gains chaeya made in its struggles thus far. The National Conference will pursue the same things in the future. It will push forward national movements and political movements simultaneously in various social sectors. The fact that it is making inroads into the institutional political sphere means more than that it is evolving into a political party."

[Q] Would you explain the National Conference's relationship with the New-Era Plaza launched recently?

[Chon] "The New-Era Plaza is currently a six-man private gathering. It is a debate group, not a gathering for specific action. There is no direct relationship between the two."

[Q] We understand that the convention of delegates of your organization voted down membership for the Political Committee of the National Alliance which has similar aspirations as the National Conference does. Does this mean that the National Conference is not endorsed by the National Alliance either? You have said that chaeya should change. Then, what is your plan?

[Chon] "In part, we will share our program with the National Alliance. The National Conference would like to define itself as a representative political entity dedicated to participant democracy and the people's leadership. The institutional political sphere is for the National Conference to work on. Currently, chaeya is unable to leap into the political sphere straight ahead."

[Q] Chaeya was divided over political lines at the time of the 1987 presidential election. Don't you think that the launching of the National Conference led by Kim Kuntae is, in effect, proliferating the same kind of division?

[Chon] "It is true that there was a split as you mentioned. Leaders of the National Conference see a great alliance of democratic forces as the direction of chaeya political activity. If you insist on knowing, I can say that other forces having other ideas entertain political lines different from ours. After all, we are all different political forces."

Task Facing the National Conference

The problem of the National Conference comes from where it stands. Many say it stands ambiguously between chaeya and political organizations. In this connection, a Chonnohyop [National Council of Labor Movements] leader said "the problem would be so much less complicated if the National Conference made it unequivocally clear that it is a political organization."

Is the National Conference a chaeya movement or a political organization? There is no easy answer to this question. The fact is that the National Conference side itself does not have a clear-cut answer. It is because the National Conference itself defines its position somewhere between chaeya and political organizations. Consequently, people with interests in it are apt to raise this question: What relationship is there between the National Conference and the National Alliance?

At the above-mentioned news conference, spokesman Chon Chong-pae ended up in an argument with reporters over this question. He broke off the news conference without giving a conclusive answer, "for reasons related to inaugural-day events under way."

A National Alliance leader said: "I see the National Conference as a political organization. Still, it is apparently a political organization that will remain in the noninstitutional sphere. Personally, I am interested in knowing if a political organization remaining in the noninstitutional sphere will succeed."

Commenting on the National Conference in the eyes of the political sphere, a Mr Kim, who is an executive official of the Democratic Party, said: "Personally, I see the National Conference as a chaeya movement whose primary goal is to make inroads into the political sphere. I have been unable to find any difference between it and other chaeya movements that already have made their ways into the institutional sphere."

Meanwhile, a Mr Yi of the National Alliance Organizational Bureau said that "presently, we have no official relations with the National Conference. It is true that some of our former executives joined the National Conference, but I understand that their actions were private ones and not officially approved by internal organizational procedures of the National Alliance."

Some of those observing developments of chaeya since its creation in the 1970's view the National Conference with apprehensions, on grounds that it is not as a purely political group but a half-chaeya and half-institutional organization and, therefore, could be a factor of interference for the present chaeya movements.

Chaeya activities, which have grown into mass movements since the 1980's, continued to evolve from Mintongnyon [Federation of Mass Movements for Democratic Unification] to Chonminnyon [National Democratic Alliance of Korea] to the People's Alliance, and to the National Alliance centering on mass organizations. The course represents not just changes in name but evolutions in quality. In particular, the history of development from Chonminnyon to the National Alliance represented the growth of the chaeya movement into the masses-oriented movement as we see it today, from what had been centered on individual figures, namely, the so-called celebrities. In this process, a considerably large number of celebrities who had political aspirations found their individual ways into the institutional political sphere.

Roughly speaking, the chaeya movement relying on individual celebrities has grown to a movement centering on the masses including workers, farmers, students, teachers, and the poor. Therefore, some chaeya activists level harsh criticism at the National Conference. They say "National Conference people, while exhorting reform of the present chaeya movement, have split away and formed another organization for themselves. It is an act of bringing the present masses-centered chaeya movement back to the old Chonminnyon level." Another person compares the National Conference to Japan's Socialist Party. This person, also critical of the National Conference, said "if you want to know what will become of a wandering progressive force that has lost the support of the masses, you just look at the present Japanese Socialist Party."

Combination of Functionaries, Specialists

However, the fact that the National Conference is so much talked about in respect to its direction and organizational status could also be a positive indication that this organization has become a focus of public attention that much. It is only a month and a half since its inauguration and much too early to pass judgment on its identity. One cannot rule out the possibility of its turning out to be the hope of many people, especially when he or she looks at those who joined it by submitting to the Working Committee their written consent.

Yi Mun-ryong, director of the Yonsei University Hospital dental clinic, who served as chairman of the Dentists Association for a Healthy Society, disclosed his motive in becoming a member by saying that "like others, chaeya's pro-democracy forces cannot afford to operate the same way as they did in the past. They must become political forces capable of producing alternative plans and regain public trust through competition. It is my wish that more professionals capable of producing alternative plans, rather than being simply ready for unconditional struggle, will join the group so that we can have an organization to lead reforms without being swept off by a temporary trend or transient era."

A look at the list of Working Committee members reveals an interesting point. Besides those who worked hard in the existing chaeya movements, it includes many personalities from cultural sectors. Among them are Sin Hyong-won, singer, who sang a congratulatory song as part of the inaugural day program; poets Ko Un, Sin Kyong-nim, Mun Pyong-nan, To Chong-hwan, Kim Cho-hye, and Kim Kyu-tong; novelists Chon Sung-se, Cho Chong-nae, Yun Chong-mo, Song Yong, Kim Ha-ki, and Chong To-sang; movie director Chang Son-u, painter Hong Song-tam, cartoonist Yi Hui-chae, and opera director Mun Ho-kun. Also on the committee representing the youth are former student movement leaders including Yo Yong-sik, second-term chairman of Chondaehyop [National Council of College Representatives]; Kim Chae-ung, fourth-term spokesman of Chondaehyop, and Ho In-hoe, former chairman of the Korea University general student body.

Also included are a fairly large number of professionals, including medical doctors, medium- and small-size business owners, professors, lawyers and journalists. In its inaugural statement, the National Conference declared that "at a time when the nation has come to a turning point internally and externally, the National Conference will work to bring reform and reunification to completion and pave the way to a hopeful 21st century." Many people are hoping that the declaration will come true and the National Conference will become the "hope" of new politics and of the people.

More on Imported U.S. Frozen Meat Controversy

SK2808074794 Seoul YONHAP in English 0732 GMT 28 Aug 94

[Text] Seoul, Aug. 28 (YONHAP)—The government may allow U.S.-imported frozen sausages which underwent heat treatment to be on the shelf for up to 90 days from the current 30 days, according to a Foreign Ministry official Sunday.

The official said that his ministry is ready to set the reasonable circulation period for the sausages at a meeting of food experts from both countries to be held on Sept. 1-2 in Seoul by fully taking into consideration international practices and technical and scientific problems on the duration of sausages.

According to local laws, sausages which underwent heat treatment could be on the shelf for up to 30 days and frozen sausages with no heat treatment for a maximum 90 days. The relevant laws, however, fail to provide for the circulation period for frozen sausages which had heat treatment.

The U.S. side had strongly protested the Seoul government's earlier decision to limit the circulation period of frozen sausages which underwent heat treatment to 30 days, demanding the Seoul authorities to allow the period to extend up to 90 days just like frozen sausages which had no heat treatment.

SCM's Policy Review Meeting Slated for 2-3 Sep

SK3108112494 Seoul YONHAP in English 1115 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—A policy review committee meeting of the Korea-U.S. annual Security Consultative Meeting (SCM) is set to be held at the U.S. Pacific Forces Command in Hawaii on Sept. 2-3.

The meeting will discuss the North Korean situation, ways to bolster joint Korea-U.S. defense preparedness and the issue of defense cost sharing for the year 1995 ahead of the SCM meeting slated for early October in Washington.

The policy review meeting was originally to take place along with three other SCM committee meetings on Aug. 8-10.

However, it was put off until late this week due to a chief U.S. delegate's attendance at the third-round U.S.-North Korea high-level talks in Geneva.

Seoul Reacts to Japanese Announcement on Past

SK3108101794 Seoul YONHAP in English 1001 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—The Seoul government gave a cold reaction Wednesday to Japanese announcement of measures to clear itself of wartime past, saying it will keep watching Tokyo's future actions.

"Our government hopes that the Japanese Government's plans will contribute to opening a new future by looking directly into the face of the past," said Foreign Ministry Spokesman Chang Ki-ho in a reaction statement.

"The Japanese Government's measures on the comfort women are basically up to the Japanese Government to determine," said the statement, "as for us, we will be watching whether the Japanese Government will take specific actions in the spirit contained in chief Cabinet spokesman's announcement in August 1993."

Japanese Prime Minister Tomiichi Murayama, in a special announcement read out by Chief Cabinet Spokesman Kozo Igarashi, said Tokyo will establish a "peace, friendship exchange plan" with 100 billion Japanese yen, to be raised over 10 years.

The plan includes historical research, exchange programs for youths and opinion leaders, and establishment of career training center for women.

Tokyo said it wishes for early solution on bringing home Koreans stranded in Sakhalin after they were forced there for labor by the Japanese during World War II.

Tokyo's announcement came on the last day of August, the month the prime minister set as the deadline to clearing Japan's war past. The measures are also intended to wipe the slate clean in time for the 50th anniversary of the end of World War II next year.

Korea was the biggest victim of Japan's comfort women operation where those as young as 13 were sent, many of them coerced, to frontline brothels to service sex to Japanese soldiers.

"There is no mention of specific action on the issue of comfort women," said a ministry official on condition of anonymity. "Wednesday's announcement hardly answers to what the victims have been demanding all along."

Japanese announcement says it will seek "a way to have the people widely participate" in sharing Japan's apology and repentance, an indication that Tokyo will seek civilian donation rather than hand over government compensation.

The Seoul government had already declared it will not seek comfort women compensation at government-level.

"But what the victims have demanded are the truth and sincere apology, and appropriate reparations that are offered with care, not some skimpy handout," said the ministry official.

Group Plans To List Former Pro-Japanese Figures

SK2908091294 Seoul YONHAP in English 0814 GMT
29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—The heads of independence-related organizations and independence fighters plan to publish a "Who's Who" of Koreans who allegedly collaborated with Japan during Japanese rule of Korea from 1910-45.

The promoters include representatives of the institute on anti-national affairs and 21 other independence-related organizations as well as five individual independence fighters.

In a meeting at the Koreana Hotel in Seoul Monday, they decided to publish the Who's Who by next year, the 50th anniversary of national liberation.

"We have decided to publish it with a view to bringing pro-Japanese and traitorous people to historical judgement, thereby helping rectify the national spirit," one of the attendees said.

He said the Who's Who will comprise 26 volumes covering about 20 separate areas such as politicians, members of the military and the judiciary, and journalists.

"Its publication is urgent so as to put an end to one dark age inasmuch as no genuine historical chapter of the present civilian-led period can unfold without properly liquidating the residues of the colonial age," said Kim Pong-u, head of the Institute on Anti-national Affairs.

Japan 'Expected' To Support Kim for WTO Post

SK3008050594 Seoul YONHAP in English 0446 GMT
30 Aug 94

[Text] Seoul, Aug. 30 (YONHAP)—Tokyo is expected to notify Seoul soon that it officially supports South Korean Trade, Industry and Energy Minister Kim Cholsu in his bid to become the first director-general of the World Trade Organization (WTO), government officials said Tuesday [30 August].

According to Trade, Industry and Energy Ministry officials, Japanese International Trade and Industry Minister Ryutaro Hashimoto told Kim when he recently visited Japan that Prime Minister Tomiichi Murayama planned to reveal shortly whether Japan would support him or not.

Hashimoto was quoted as saying that it is a formality for Murayama to personally convey Japan's position on the issue to South Korean President Kim Yong-sam since Murayama was asked by the president to support the South Korean minister.

The Japanese minister emphasized that Asians, more than others, should contribute to the WTO system, adding that only one Japanese is working at the General Agreement on Tariffs and Trade Secretariat while no Koreans are there.

Japanese Deputy Prime Minister and Foreign Minister Yohei Kono also hinted strongly at Japan's support for Kim Cholsu, saying that Asia needs to take great interest in the WTO and that he was deeply impressed with Kim.

Judging from the Japanese ministers' remarks, Murayama is expected to convey to President Kim in the near future Japan's position in support of the South Korean minister as WTO director-general, the officials said.

DLP's Kim Yun-hwan Returns From Japan Visit

SK2908022694 Seoul YONHAP in English 0210 GMT
29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Rep. Kim Yun-hwan of the ruling Democratic Liberal Party (DLP) has called on the so-called "TK" [Taegu and North Kyongsang Province] figures to participate in the civilian government's future-oriented reform drive, saying the probationary period for the forces that ruled the nation for 32 years has ended.

The leading DLP member told a press conference that the people in general must take part in the new policies of the government, adding that he would play a role in carrying out future change.

On returning from a trip to Japan, Kim said that although "TK" figures might feel some displeasure in the course of the reform drive, they must make a positive contribution to the government's reform policies. He was in Tokyo to attend a political forum arranged by the Korea-Japan parliamentarians union.

"TK" signifies influential persons, particularly in the political arena, hailing from Taegu and North Kyongsang Province, who virtually ruled the country for more than 30 years following the late President Pak Chong-hui.

Himself a TK, Rep. Kim has exercised self-restraint in his formal political activities since the inauguration of the civilian government early last year even though he made a large contribution to the birth of President Kim Yong-sam's government.

He was recently appointed the party's chapter head of the North Kyongsang district when he was in Japan. His last official post in the DLP was secretary-general, which he held until April last year, and since then he has kept mum while the TK political forces were reputedly alienated from the core of power.

Turning to the local government elections slated for next year, Kim predicted that the ruling party will achieve good results as the polls bear meaning in evaluating the civilian administration.

Prime Minister Departs for SRV, Singapore

SK2908012294 Seoul YONHAP in English 0104 GMT
29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—South Korean Prime Minister Yi Yong-tok departed Monday [29 August] for official visits to Vietnam, Singapore and Bangladesh.

During his trip, Yi is scheduled to meet with the leaders of the three countries to discuss the situation on the Korean peninsula after the death of North Korean President Kim Il-song in July.

He will seek their understanding and support for South Korea's policy toward the North Korean nuclear problem and Seoul's bid to obtain a non-permanent seat on the U.N. Security Council.

The discussions will also focus on strengthening links with each nation through the promotion of economic cooperation and expansion of trade.

Moreover, the prime minister will ask them to back South Korean Trade, Industry and Energy Minister Kim Chol-su in his efforts to become the first director-general of the World Trade Organization (WTO).

During his stay in Vietnam until Wednesday, Yi and his Vietnamese counterpart Vo Van Kiet will take up ways to beef up bilateral relations, which have improved rapidly since the establishment of diplomatic ties in December 1992.

A cultural agreement is to be signed during Yi's visit to Vietnam aimed at promoting mutual understanding and cultural exchanges.

In addition, Yi will discuss Vietnamese Communist Party General Secretary Do Muoi's timetable for his scheduled visit to Seoul toward the end of this year.

While in Singapore, he will meet with Singaporean Prime Minister Goh Chok Tong on matters of mutual concern including joint investment in third countries. Yi plans to remain in the island-state until Friday.

Moving on to Bangladesh, he will call on his Bangladeshi counterpart Khaleda Ziaur to discuss expanding economic cooperation through such means as South Korean businesses' investment there. The prime minister will return home Sept. 5.

Vice Foreign Minister Pak Kon-u and the Chief Secretary of the Prime Minister, Yi Hung-chu, are accompanying him.

SRV Views on Trade, North Nuclear Issue Noted

SK3108005994 Seoul THE KOREA HERALD in
English 31 Aug 94 p 2, 5

[Article by Kim Hye-won]

[Text] The talks between visiting South Korean Prime Minister Yi Yong-tok and his Vietnamese counterpart

Vo Van Kiet here Tuesday mark an important turning point in relations between the two countries, South Korean officials said.

Adding that the agreement on bilateral cultural cooperation, which was signed at the end of the talks by the vice foreign ministers of the two countries, has a special meaning in relations between South Korea and Vietnam, who fought against each other during the Vietnam war in the 1960s and 1970s. "By signing this accord, we expect the two countries to completely emerge from the unfortunate memories involving them and to begin a new, cooperative relationship," said a Seoul official who is accompanying Prime Minister Yi.

In fact, relations between the two countries have developed at a remarkable speed in other fields since they opened diplomatic relations one and a half years ago.

Vietnam, in particular, has emerged as a new and promising trade partner of Korea. Bilateral trade between Hanoi and Seoul doubled in one year after the two set up diplomatic ties in December 1992. Two-way trade which amounted to \$493 million in 1992 recorded at \$818 million in 1993.

South Korea has also become the third-largest investor country in Vietnam by investing a total of \$746 million in various projects until July this year.

Stressing this point, one South Korean diplomat here proudly boasts, saying, "As long as relations with Vietnam are concerned, we can say we have been quite successful."

He says it was not that easy for South Korea to hasten ties with Vietnam when the United States, who also fought against this country, was still reluctant to open new relations with it.

A group of U.S. officials are now staying here to prepare for the opening of a liaison office.

According to the official, South Korea is placing a special emphasis on relations with Vietnam, to make it a most important partner politically as well as economically.

Vietnam has already joined the ASEAN Regional Forum (ARF), whose first session was inaugurated in July this year as the first multilateral security consultative body in the Asia-Pacific region.

It is expected to play a more significant role in regional matters when it is admitted to the Association of Southeast Asian Nations (ASEAN) in late 1995.

"Closer political cooperation with Vietnam and other countries in the region is important at a time when a new regional order is being taken shape, replacing the Cold War order," the South Korean official said.

As a proof of Seoul's intention to promote political ties, Prime Minister Yi invited Do Muoi, the general secretary of the Communist Party who is regarded as a

substantial leader here, to visit South Korea later this year or early next year. The Vietnamese side, on its part, invited President Kim Yong-sam to visit as soon as possible.

"This fact alone reveals that the two countries are expanding their relations, which have been centered on economic areas up to now, to political and other areas," the official claimed.

During talks with his Vietnamese counterpart Kiet, the South Korean premier promised positive study of Hanoi's requests for increasing Seoul's EDCF (Economic Development Cooperation Fund) loans to finance various development projects here.

Yi also informed the Vietnamese officials of his plan to help train more Hanoi officials in South Korea as a means of increasing grants.

The Korean diplomat says these promises of increasing financial support for Vietnam are fully justified when the increasing importance of Hanoi as Seoul's economic partner is taken into account. In 1992 alone, South Korea exported goods worth \$728 million, while it imported products worth \$90 million.

Vietnam is also emerging as a fastest developing country in the region as the result of its Doi Moi (reform) policy. The country, which imported some 1 million tons of rice until 1991, now exports rice. Its GNP grows by 7 percent a year. In addition, Vietnam, full of natural resources including oil, has a good potential as a partner for joint exploitation of these resources.

The official, however, admitted that the two countries have still many things to do before they achieve a substantial partnership in political areas.

Vietnam still maintains a political alliance with Pyongyang. When North Korean leader Kim Il-song died in July, the Vietnamese government declared a mourning period nationwide and prohibited drinking and entertainment.

Vietnamese officials were short in satisfying the South Korean officials' request to support Seoul's position on the North Korean nuclear issue.

Prime Minister Kiet and other officials voiced only their broad support for the necessity of North Korea's staying a party to the Nuclear Nonproliferation Treaty (NPT) and the policy for denuclearization of the Korean peninsula.

Vietnamese officials also failed to give a definite answer to Seoul's request for support for its bid to become a nonstanding member of the U.N. Security Council for the years 1996 and 1997.

This lukewarm position of Hanoi mainly stems from the fact that its other Asian neighbor, Sri Lanka, is bidding for the same seat.

The fact that Hanoi maintains political alliance with Pyongyang, in fact, raises criticism in South Korea that

the Seoul government is buying political relations with Vietnam with promises of assistance in the economic development of the country.

Seoul, Moscow Plan FEZ Industrial Complex

SK3008022394 Seoul THE KOREA HERALD in English 30 Aug 94 p 8

[Text] Korea and Russia are expected to exchange a memorandum of understanding on a project to develop an industrial complex for exclusively housing Korean businesses within the Nakhodka Free Economic Zone (FEZ) in the Russian Far East next month, officials at the Korea Land Development Corp. (KLDC) said yesterday.

The Korean-Russian talks on economic cooperation, rescheduled for next month, will likely reach an agreement on the project in principle, said the KLDC officials.

Even if the joint economic talks are aborted next month, they said, Korea and Russia will hold a separate meeting to reach an agreement on the project.

The Korea-Russian joint economic talks, originally scheduled for last April, have been put off repeatedly at the request of the Russians.

The KLDC has pushed for the project to develop an industrial estate for Korean businesses on plots of land covering 3.3 million sq. meters within the Nakhodka FEZ area.

The Korean side has made preparations for implementing the project by conducting feasibility studies on technology, investment, environment and economic aspects in 1992.

The Russian side is likely to make a pledge of providing support for expanding infrastructure, such as the supply of electricity and water for industrial water, said the officials.

The main reason for delaying the implementation of the project, they added, is the Korean side's demand that Russia should revise laws to guarantee investment.

Halla Plans PRC Construction Equipment Plant

SK3008022494 Seoul THE KOREA HERALD in English 30 Aug 94 p 8

[Text] The Halla Business Group has signed a contract with a Beijing forklift truck manufacturer to set up a \$15 million joint-venture company for the production of construction equipment, a Halla spokesman said yesterday.

The 50-50 joint-venture company between Halla Engineering & Heavy Industries Co. and Beijing Forklift Truck Main Plant will produce battery powered and conventional engine forklift trucks in the initial stage, and then excavators and wheel loaders, the spokesman said.

The signing ceremony, which took place at the Great Hall of the People in downtown Beijing, was attended by Halla Business Group Chairman Chong In-yong and Ma Shihai, chairman of Beijing Forklift Truck Main Plant.

The joint-venture firm, named "Beijing-Halla Construction Machinery Co. Ltd.," will be located in Beijing's Feng Tai district.

At a total investment of \$28 million, the joint-venture company will build factories with an annual production capacity of 30,000 units of construction equipment, the Halla spokesman said.

Construction work will begin late this year and will be completed late next year. Starting early 1996, forklift trucks will be produced, the spokesman said.

Government, New Zealand Waive Visa Requirement

SK3108072094 Seoul YONHAP in English 0654 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—South Korea and New Zealand exchanged a note on waiving visas for travelers to each other's country Wednesday.

The note was exchanged between South Korean Foreign Minister Han Sung-chu and New Zealand Ambassador to Seoul Peter Kennedy, coinciding with New Zealand Science Minister Simon Upton's visit here.

Implications of North's Macao Firm Burglary Noted

SK2808103294 Seoul CHUNGANG ILBO in Korean
28 Aug 94 p 23

[Report by correspondent Yu Sang-chol from Hong Kong]

[Text] Chogwang Trading Company—North Korea's base of operations in Macao—which was responsible for the kidnapping of actress Choe Un-hui and the training of Kim Hyon-hui, a former terrorist who blew up a Korean Air Lines airplane—was burglarized on the night of 25 August. Major documents and valuable possessions were stolen.

The Macao Police disclosed on 27 August that around 2200 on 25 August, several suspects broke into the Chogwang Trading Company located on the fifth floor of the Quanshao Garden Building No. 21 on the (Sdnyobais) Boulevard. They broke a small safe, and stole documents and 38,000 Hong Kong dollars (about 4 million won in Korean currency) from it. On that night, while on their way to the kitchen to get water, some Chogwang female employees, who live on the 16th floor of the same building, found open windows and things scattered about. They, together with some male co-workers, later went down to the office on the fifth floor,

where important company documents were kept, and found that the office's main door and a small safe were broken into.

Sources versed in North Korea based in Macao believe that this incident had been premeditated by company insiders, and that it will deal a severe blow to North Korea as well as to Chogwang itself. The sources speculate that it would have been difficult for any ordinary burglar to commit the burglary because the company is tightly guarded. Every window of Chogwang's main office and of the employees' headquarters—who live on the sixth, eighth, ninth, 14th, and 16th floors—are secured with iron bars. In spite of this, the burglars were able to take the documents. The burglary was not a simple theft, but was mainly aimed at obtaining documents related to the Chogwang Trading Company's irregularities.

The sources even analyze: If the robbers are found to be North Koreans residing in Macao, this means that they made arrangements to defect to the ROK.

Seoul To Support Technology Transfer to Malaysia

SK3108114794 Seoul YONHAP in English 1112 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—South Korea has decided to transfer technology on Korea-type armored personnel carriers (APC) to Malaysia, the Defense Ministry reported Wednesday.

The ministry said the decision was made at the 10th Korea-Malaysia Joint Defense Industry Committee meeting held in Seoul Aug. 26-31.

"We have agreed with Malaysia to positively support technology transfer so that Korea-style APC's (K-200) could be produced in Malaysia," it said.

In this connection, Daewoo Heavy Industries Co., the principal producer of K-200's, has signed with two Malaysian munitions firms—DRB and MMCE COS.—a memorandum of understanding for the joint-venture production of the APC's and some heavy equipment like excavators and forklifts.

Also at the meeting, the two countries discussed expanded cooperation in the sector of military training, mutual exchanges or procurement of surplus airplane parts, and the provision of Korea-type military jeep parts to Malaysia, the ministry said.

Pusan Establishes Ties With Indonesian City

SK2908130794 Seoul YONHAP in English 1143 GMT
29 Aug 94

[Text] Pusan, Aug. 29 (YONHAP)—Pusan city and Surabaya city of Indonesia established a sisterly relationship in a ceremony held at the Pusan Paradise Beach Hotel Monday evening.

Attending the ceremony were Pusan Mayor Chong Mun-hwa, Surabaya Mayor Sunarto and some 40 officials of the two cities.

With the new relationship, the two cities will increase economic cooperation and the Indonesian city will cooperate in Pusan's bid for the 2002 Asian Games.

In particular, South Korea's largest port city will be assured of stable supply of crude oil, natural gas, wood and raw rubber from Indonesia in return for participation in construction and civil engineering projects of Surabaya's development programs.

Mayor Sunarto formally asked for participation of Pusan corporations in his city's development program for 2000, and this will pave the way for Pusan's construction companies to participate in Surabaya's large container ship pier and World Disneyland construction projects.

With a population of 3.6 million, Surabaya is Indonesia's second largest city and the largest port city handling trade cargo of 5.19 million tons a year.

Bank of Korea: Value of Won Currency Increasing

SK2708065294 Seoul YONHAP in English 0632 GMT
27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—The value of the won currency has been inching up, reaching the all-time high so far this year on Saturday.

According to the Bank of Korea, the basic won-U.S. dollar conversion rate was 802.1 won to the dollar Saturday, which compares with 802.50 won to the dollar on Thursday and 802.20 won on Friday.

An official of the central bank said the surging won value is due mainly to the influx of large amounts of foreign exchanges in month-end exports negotiation money and stock investment funds.

The conversion rate between the won and Japanese yen was posted on Saturday at 798.51 won to 100 yen, lowest in fortnight, according to the central bank.

Transfer of Technology to South Asia Planned

SK2808021794 Seoul THE KOREA TIMES in English
28 Aug 94 p 8

[Text] The founder, president & CEO of Silicon Valley Technology (SVT) Group Anil Kapuria and the chairman & CEO of Technology Assessment Corporation International (TACI) Dr. Kim Wan-hui, are jointly announcing the formation of their joint venture which will engage in the transfer and exportation of manufacturing plant technology from Korea to countries in South Asia, with an emphasis on India, a TACI Korea spokesman said yesterday.

India and other countries in South Asia require a wide-range of production facilities and know-how, including various home appliances, basic daily necessities such as

shoes, bicycles, audio equipment, sport gear/wear, graphite material, and basic electronic component materials such as PCBs and components.

India is regarded to have 35-45 million households with annual incomes of greater than \$30,000, thus constituting a substantially huge market.

SVT Group established its operation in the United States in 1988 with a manufacturing plant in New Delhi.

It is regarded as the largest exporter of electronic products in India and is among the top twenty groups in revenues in India, with the highest growth rate of established high-tech companies.

Minister Embarks on Tour To Promote Trade 1 Sep

SK3108072394 Seoul YONHAP in English 0653 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—Trade, Industry and Energy Minister Kim Chol-su embarks on an 11-day tour of the United States, Canada, India and Pakistan on Sept. 1 to discuss increasing trade and expanding economic cooperation and to seek support for his effort to become secretary-general of the World Trade Organization (WTO), a ministry spokesman said Wednesday.

Minister Kim will meet with Indian Prime Minister Narasimha Rao, Minister of External Affairs Dinesh Singh and Minister of State for Commerce Kamaluddin Ahmed during his stay in India, the spokesman said.

While in Pakistan, Kim is scheduled to meet with Foreign Affairs Minister Sardar Asif Ahmad Ali and Commerce Minister Chaudhry Ahmed Mukhtar.

In Canada, Kim will call on Trade Minister Roy MacLaren and Foreign Minister Andre Ouellet, the spokesman said.

U.S. Trade Representative Mickey Kantor and Commerce Secretary Ron Brown will be among the high-ranking officials to meet Kim during his visit to the United States.

Kim will speak to the Council on Foreign Relations in New York on "East Asia in the new world trade order" and attend a luncheon hosted by the Heritage Foundation in Washington, according to the spokesman.

Minister Kim is scheduled to have interviews with over 10 media organizations in the United States. Among them are Cable News Network (CNN), THE NEW YORK TIMES, THE WASHINGTON POST, THE WALL STREET JOURNAL and BUSINESS WEEK.

Agriculture Ministry Plans To Expand Beef Imports

SK3108002594 Seoul THE KOREA TIMES in English
31 Aug 94 p 8

[Text] The government plans to expand beef imports this year to meet surging demand, the Ministry of Agriculture, Forestry and Fisheries announced yesterday.

As a result, Korea's beef imports for this year will amount to 126,000 tons, up from the originally projected 106,000 tons, officials said.

The abrupt decision to expand beef imports was prompted by a sharper-than-expected rise in beef consumption in accordance with the overall economic recovery.

According to the ministry, the nation's beef consumption grew 23.5 percent in 1990 and 26.1 percent in 1991, respectively, but the growth slowed to 1.7 percent in 1992 and 2.7 percent in 1993 due to the economic downturn.

As the economy began to pick up from the turn of this year, beef consumption during the first half of this year expanded 15.8 percent from the year before, resulting in a shortage of beef supplies.

The ministry had initially predicted the nation's beef consumption would be 255,000 tons in 1994 but recently revised upward its forecast to 278,000 tons, up 19.3 percent, in the face of surging beef consumption.

Officials also blamed a combination of lack of rain and sultry weather in summer for this year's beef shortage.

Buoyed by surging beef consumption, the price of a domestically-raised ox grew from 2.2 million won at the end of last year to 2.4 million won recently, the ministry said.

Of the 20,000 tons that the ministry plans to import additionally this year, 10,000 tons will be imported by the end of November while the remainder will be imported in accordance with the domestic demand-supply situation.

Farm analysts said the government's decision to expand beef imports will meet tough resistance from domestic livestock farmers who criticize the government for trying to import more beef fearing inflation, not thinking about farmers' situations.

Parties Agree on Assembly Interim Schedule

SK2908091394 Seoul YONHAP in English 0826 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Senior deputy floor leaders of the ruling and opposition parties agreed Monday on an interim schedule for the 170th regular session of the National Assembly opening Sept. 10.

Under the tentative schedule, lawmakers will act on the assembly's recommendation for judges to the Constitutional Court and the appointment of its chief judge Sept. 12 and Sept. 13. Monday's meeting was attended by Rep. Kwon Hae-ok of the ruling Democratic Liberal Party and Rep. Yi Hyop of the main opposition Democratic Party.

They also agreed in principle to conduct a 20-day parliamentary inspection into the state affairs of major

government ministries and organizations beginning Sept. 28, followed by a presidential speech Oct. 18 on the government's 1995 national budget bill.

Leaders of the ruling and opposition parties are scheduled to deliver speeches on behalf of their respective parties Oct. 19 and Oct. 20, with the plenary session to conduct a question-and-answer session from Oct. 21-27 on major government policies with concerned cabinet ministers.

Standing committees will begin their respective activities on state affairs and the national budget bill from Oct. 28 so that the plenary session can take final action Dec. 17, the last day of the regular session, on major agenda items including the budget bill for next year.

Early Merger of Opposition Parties 'in Doubt'

SK3108083894 Seoul YONHAP in English 0738 GMT 31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—The early realization of an opposition merger appears in doubt as the parties face internal objections to the move, originally scheduled to occur before the regular National Assembly session opens Sept. 10.

The main opposition Democratic Party (DP) and the minor New People's Party (NPP) have held a series of working-level contacts recently to discuss combining their power under a new leadership while preparing for local autonomy elections next year.

In particular, the NPP is facing severe internal strife between mainstreamers and non-mainstreamers over the issue of party hegemony in light of the proposed merger.

NPP Co-chairman Rep. Pak Chan-chong, showing a negative attitude toward the concept, demanded Wednesday that the merger negotiations be open to the public. Another co-chairman, Rep. Kim Tong-kil, who has been discussed as prospective co-leader of a combined opposition party, took cover after abruptly tendering his resignation as NPP co-chairman.

Rep. Pak said at a press meeting that his party has only learned of the merger plan through informal utterances by some leading members of the main opposition party. He further said that since his party had only been informed of the merger negotiations in this manner, "We don't need to set up a formal party organization to discuss the merger at the present stage."

Referring to the birth of the ruling Democratic Liberal Party following the merger of three political parties, Pak insisted that "such a merger through secret negotiations would not be supported by the people in the true sense."

Rep. Pak also emphasized that the merger issue should be discussed formally.

Meanwhile, NPP Co-chairman Rep. Kim's escape into hiding after submitting his resignation is embarrassing the main opposition DP as well as his own party.

Political observers explain that Kim's concealment stems from the internal strife over party hegemony between mainstreamers and non-mainstreamers led by Rep. Yang Sun-chik, a party Supreme Council member.

Rep. Yang has denounced the merger efforts by the party co-chairmen while insisting that a party national convention should be held first to select a new leadership before discussing any merger with the DP.

Yang was reportedly guaranteed the post of party chairman in a secret memorandum exchanged with Rep. Kim while the latter was to become a candidate in the next presidential election.

The observers point out that the minor party must first address its internal strife before discussing the merger.

National Assembly Speaker Appoints Secretary

SK2708041894 Seoul YONHAP in English 0304 GMT
27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—National Assembly speaker Hwang Nak-chu on Saturday appointed Yi Hyon-ku, a former aide to the second state minister for political affairs, as his chief secretary, the National Assembly Secretariat announced.

Born in 1938, Yi graduated from law school at Seoul National University and worked as a reporter for vernacular dailies including the CHOSON ILBO.

He served as assistant editor on the political desk, editor of the special edition section and assistant managing editor at the CHOSON ILBO before accepting the post of prime minister's secretary in charge of public relations.

In his most recent job, Yi was an aide to the second state minister for political affairs.

Plans To Revise Administrative Districts Noted

SK3108080694 Seoul YONHAP in English 0729 GMT
31 Aug 94

[Text] Seoul, Aug. 31 (YONHAP)—The government will expand Pusan, Taegu and Incheon by merging the cities with areas bordering them and consolidate Ulsan County, South Kyongsang Province, with the adjacent city of Ulsan into a large Province-level (chikhal) city next year.

But the government has dropped its controversial plans to divide Kyonggi Province by the Han River into two provinces and to merge Taegu, Taejon and Kwangju cities into North Kyongsang, South Chungchong and South Cholla Provinces, respectively.

These are the highlights of the government scheme to revise administrative districts which Home Minister Choe Hyong-u made public at a press conference Wednesday.

The division of Kyonggi Province needs to be studied as many provincial residents and academics support it, but the government has decided to shelve the plan because there is no broad consensus supporting the division, Choe said.

The government has concluded that merging the three province-level cities of Taegu, Taejon and Kwangju into their adjacent provinces will involve many problems because the large province-level city system boasts such merits as high urban administrative efficiency, he added.

Instead, the government will allow Pusan, Taegu and Incheon to absorb parts of their neighboring counties for expansion. These three cities will confer with neighboring provinces to determine the areas for absorption next month, the minister said.

Pusan will absorb parts of Yangsan and Kimhae Counties, Taegu Talsong County and Incheon Kimpo County, Home Ministry officials said.

To develop Ulsan as the center of the nation's southeastern economic area playing an important role in the Pacific-rim economy, the government has decided to integrate Ulsan County into Ulsan city to boost its growth as a province-level city like Pusan, Taegu, Incheon, Taejon and Kwangju, Choe said. Residents of the city and the county also support the integration, he added.

Request for Arrest Warrants for Professors Denied

SK3108023994 Seoul YONHAP in English 0156 GMT
31 Aug 94

[Text] Changwon, South Kyongsang Province, Aug. 31 (YONHAP)—The Changwon District Court on Wednesday turned down the prosecution's demand for arrest warrants for two Kyongsang National University professors who were earlier booked on charges of violating the National Security Law.

In dismissing the applications, Judge Choe In-sok cited their voluntary presence at the prosecutor's office, their lack of big ideological differences with the other co-authors, the unlikelihood that they will flee, the lack of evidence showing they contacted "chusapa" students and the suspension of their lectures on the book in question.

The professors, who were detained after submitting to the prosecution Tuesday afternoon, were released immediately after the court dismissed the applications for arrest warrants.

The prosecution plans to reapply for such warrants after reinvestigating the reasons for the court's action against the applications.

The prosecution, investigating a controversial reference book for college freshmen co-authored by nine professors at Kyongsang University in Chinju, had sought

arrest warrants for two of them—Chang Sang-hwan, 44, of the economics department and Chong Chin-sang, 38, of the sociology department.

Five others had been booked without physical detention: Yi Chang-ho, 43, of the law department; Choe Tae-yong, 40, of the sociology department; Kim Chun-hyong, 42, of the social education department; Yi Hye-sok, 39, of the sociology department; and Paek Chwa-hum, 43, of the law department.

Professors Chang and Chong, alternately lecturing 470 students enrolled in a course titled "How to understand Korean society," which is also the title of the book they co-authored, two hours a week since March, discussed Korean society from a Marxist point of view and praised North Korea's policy on a socialist revolution in South Korea, a spokesman said.

Moreover, in their contributions to the book in question, they defined modern Korea as a neo-colonial and monopolistic capitalist society or a dependent fascist society on the basis of Marxism, while calling for a revolutionary struggle by the working class, he added.

They also supported Pyongyang's anti-Seoul activities while sympathizing with the North Koreans, thus posing a threat to the existence of South Korea as a state based on free democracy, he said.

He said they, viewing South Korea as a U.S. colony full of class strife, called for a new social movement in line with North Korea's policy for a socialist revolution in South Korea.

President: Seoul To Stay Out of Labor Disputes

SK3008020494 Seoul THE KOREA HERALD in English 30 Aug 94 p 2

[Text] President Kim Yong-sam said yesterday that the government will continue to refrain from intervening in labor disputes.

"The recent case of Hyundai Heavy Industries Co. has set out a new pattern for resolving labor strife," President Kim said in a meeting with a group of administration officials and representatives from social welfare organizations.

Workers at the major shipyard ended their two-month-long strike last week after labor and management reached a compromise on pay raise and other disputes.

The government, in a departure from its past practice, stayed away from the protracted labor dispute despite its impact on the economy.

The strike at Hyundai Heavy Industries cost \$10.4 billion won in lost sales and another \$343 million in lost exports, according to a company spokesman. The Hyundai stoppage also cost its contractors a combined 169.2 billion won in lost sales.

"Labor dispute is a matter between labor and management and the government will continue to refrain from stepping in any future labor strife," said President Kim.

"Labor disputes should be resolved through debates, understanding, persuasion and compromise," Kim said.

The President also said his administration would place the same emphasis on improvement of social welfare as on economic development.

Economic development and social welfare are the two wheels on which the country will ride into an advanced society and the government will keep expanding social welfare programs, said Kim.

Police Agency Launches Internal Audit Inspection

SK3108003194 Seoul THE KOREA TIMES in English 31 Aug 94 p 3

[Text] The National Police Agency (NPA) has launched an internal audit inspection on police in major cities to root out irregular practices such as taking bribes, dereliction of duty and conducting biased investigations.

NPA officers said the special audit will get underway for eight days from today to uncover graft and other ill practices by police, particularly in time for the Sept. 19-21 Chusok holidays.

The audit follows widespread reports that police in certain parts of the country have been taking regular kickbacks from businesses to overlook illegal operations.

The NPA officers said a total of 190 auditors, including 27 from the NPA, will form two-man teams, touring all 1,164 police stations and police boxes in the nation's six largest cities.

The audits will be especially tight on police operations in areas where there is a concentration of entertainment businesses and other establishments notorious for offering bribes to law enforcement officials.

All officers found to be involved in graft and other forms of irregularities will face the sternest punishments, including dismissal. Those in charge of police stations where irregularities are found will also face administrative action, the NPA officers warned.

Of the irregular activities that the auditors are looking for are the leaking of information or keeping mum on illegal business activities in return for kickbacks and altering auto accident reports.

"Those who exercise their influence to promote the business of certain hospitals and auto repair shops in cases of accidents and taking 'commissions' will similarly face harsh punitive action," one auditor said.

He said the practice of receiving presents and other forms of "gratuities" by police is lingering even with

consistent crackdown by the government and the latest audit should go a long way in eradicating the shameful practices.

Former Presidents Fail To Answer Questions

SK2908083994 Seoul YONHAP in English 0710 GMT
29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Answers by former presidents Chon Tu-hwan and No Tae-u to prosecution questionnaires about their roles in the 1979 "coup-like" incident have failed to meet the deadline.

The Seoul prosecution, acting on a number of lawsuits filed against Chun, No and their colleagues, handed the two a set of written questions on Aug. 12 and instructed them to respond by Aug. 22.

After Chon and No failed to furnish their replies by the given date, the prosecution extended the deadline to Aug. 26, which too was not met.

Chun's aides say that since there are some 300 questions and more time is needed to give a full accounting of his role, the ex-president will be able to submit his replies no sooner than early next month.

Aides to No, too, say that he is still working on his answers. Nevertheless, No's departure for the Yongsong resort in Kangwon Province Monday afternoon for a delayed summer vacation suggests he may have finished the task.

The questions given to No number about 100 compared with the 300-odd queries for Chun.

In what President Kim Yong-sam has branded a "coup d'etat-like incident," Chon had his men arrest Army Chief of Staff and Martial Law Commander Gen. Chong Sung-hwa, emerging as de facto strongman following the death of President Pak Chong-hui.

Chon is reportedly supplying meticulous answers to the questionnaires. "Answers to about one-fourth of the items questioned amount to about 100 pages in volume," one of Chun's aides said.

Meanwhile, the Seoul prosecution on Monday summoned Hwang Yung-si, former audit and inspection board chairman and first corps commander at the time of the incident, for questioning in connection with countercharges he has filed.

Hwang has countersued Chang Tae-wan, former commander of the capital garrison command, and Kim Chin-ki, ex-Army provost marshal, on charges of sedition and insurrection.

Hwang is countering the lawsuit brought by Chang and Kim against him and other key players in the incident.

After summoning Hwang Monday afternoon, the prosecution asked him about the background that led to the mobilization of the first airborne brigade and other

troops by Chon and his men to occupy the Defense Ministry and the capital garrison command.

The prosecution is expected to summon the two men who have been countercharged, Chang Tae-wan and Kim Chin-ki, this week.

Development of 256 Megabit D-RAM Chip Noted

SK2908081994 Seoul YONHAP in English 0728 GMT
29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Samsung Electronics Co., Ltd. announced Monday that it has developed the world's first 256 megabit D-RAM chip and succeeded in making test chips.

The company invested roughly 120 billion won (about 150 million U.S. dollars) and two years in developing the 256 megabit D-RAM, according to Samsung officials.

Samsung said it adopted process technology suitable for mass producing super-fast and ultra-large-scale integrated circuits with very low power consumption, basic requirements for next-generation products.

The electronics maker, which began producing 64 K [Kilobit] D-RAM chips in 1984, succeeded in developing the world's first 64 megabit D-RAM in 1992, prior to Japanese semiconductor manufacturers.

A 256 megabit D-RAM semiconductor chip with 268 million fully operating cells is made with 0.25 micron complementary metal-oxide-semiconductor process technology. The chip is about twice the size of a human thumbnail but can store some 2,000 standard newspaper pages of data.

Samsung said the chip is currently suited for use in computers' main memory and high-performance workstations and is expected to play a key role in high-definition television (HDTV) and multimedia products of the future.

Semiconductor makers in advanced nations like the United States and Japan have not been able to develop such a high value-added product yet.

Samsung used its own patented technology to design a new structure that facilitates input and output expansion and overcomes current operating speed limitations, which should result in major improvements in the capability to process vast amounts of data.

The world market for semiconductors hit 86 billion U.S. dollars last year and is expected to amount to 100 billion dollars this year. The market will likely experience steady growth in reaching 160 billion dollars by 1998.

Samsung President Kim Kwang-ho said, "the 256 megabit D-RAM is expected to be commercialized between 1997 and 1998, and full-scale production is forecast around the year 2000. Exports of the 256 megabit D-RAM chips alone will double Samsung's current semiconductor exports."

The company applied for 129 patents on the technology related to the advanced semiconductor in South Korea and has finished applying for 49 overseas, officials said.

Samsung claimed 10.8 percent of the world's semiconductor market last year to become the biggest semiconductor maker.

Burma

Singapore Trade Minister Leaves Rangoon

BK2608151794 Rangoon Radio Burma in Burmese
1330 GMT 26 Aug 94

[Text] A high-level Singaporean delegation led by Mr. Yeo Cheow Tong, minister of trade and industry of the Republic of Singapore—which includes high-level delegates from Singapore's governmental organizations, entrepreneurs, and personnel of the Singapore Chinese Chamber of Commerce and Industry—left Yangon [Rangoon] by air at 1420 today.

Mr. Yeo Cheow Tong and entourage were seen off at the Yangon International Airport by Brigadier General Abel, minister of national planning and economic development; responsible personnel from the Embassy of the Republic of Singapore, and director generals and responsible personnel from the Ministry of National Planning and Economic Development.

Industrial Delegation Returns From ROK, PRC

BK2708124094 Rangoon Radio Burma in Burmese
0630 GMT 27 Aug 94

[Text] A Myanmar [Burmese] delegation led by U Saw Tun, deputy minister of industry-2, returned to Yangon [Rangoon] by air yesterday afternoon. At the invitation of (Dupine) Industries Company Limited of the Republic of Korea and (Civic) Technology Incorporated of the People's Republic of China, the Myanmar delegation went on a three-week study tour of industrial activities on joint production of motor-vehicles and machinery in Myanmar.

Than Shwe Speaks on Development Association

BK3008125794 Rangoon Radio Burma in Burmese
1330 GMT 29 Aug 94

[Excerpts] Senior General Than Shwe, patron of the Union Solidarity and Development Association [USDA], chairman of the State Law and Order Restoration Council [SLORC], and commander in chief of the Defense Services, attended the closing ceremony of the USDA executives management course No. 3/94 at 0900 today in the Union Hall of the Central Public Relations Unit in Hmawbi. [passage omitted]

Delivering a speech at the ceremony, Sr. Gen. Than Shwe said the trainees, who constitute the hardcore forces of the association, are also a national force who will serve the national interests hand in hand with the Defense Services. [passage omitted]

He explained that the executive management courses are being held in order to enable the trainees to systematically manage and implement the noble aims of the USDA. He called on the trainees to apply programs and procedures of office work, financial management, and

organizational work taught at the course to implement USDA objectives. [passage omitted]

He said the aims of the USDA—nondisintegration of the union; nondisintegration of national unity; perpetuation of national sovereignty; revitalization of patriotism with a view to enhancing national pride and prestige; and emergence of a modern and peaceful nation—are the same as those being implemented by the SLORC and that they should be implemented continuously by future generations. [passage omitted]

Continuing, Sr. Gen. Than Shwe said efforts are being made at present to narrow the gap in development between border regions and other areas to promote a bond and unity among the national people. He said that in the political sphere, the national convention is being convened to establish an enduring state constitution in conformity with the wishes of the majority. He said the convention is being held with the participation of representatives of peasants, workers, intelligentsia and technocrats, political parties, and national races and that the national convention has taken the form and essence of the national reconciliation. [passage omitted]

Sr. Gen. Than Shwe explained that the five aims and objectives of the USDA constitute the political, economic, and social objectives of the motherland and, as such, they are very important. He said it is necessary to achieve economic strength and stability in order to prevent disintegration of the union and national unity and to ensure perpetuation of national sovereignty. He said the economy is a basic requirement for the emergence of a modern and developed nation. He said undertakings for economic development also constitute implementation of the five USDA objectives and that as a result of these undertakings, the national economy has developed considerably.

He said implementation of the five USDA objectives is very important for developing a democratic system in the country. Regardless of which [political] system is practiced in the country, the people will not be able to uphold their moral conduct if their stomachs are empty; and if moral conduct is not upheld, any organization or system will be ruined. Whether it is a socialist system or a multiparty system, it will not be successful if the social needs of the people for food, clothing, and shelter are not met. Only a system that can meet these needs in the long term will survive.

He explained that the SLORC is working for national development through political, economic, and social means and such an undertaking amounts to implementing the objectives of the USDA. He said this training course has provided the necessary training for a disciplined performance within the framework of guidelines in implementing the noble objectives of the association. [passage omitted]

He then concluded his speech by calling on the trainees to work for self-improvement, improvement of their

environs, and national progress by applying knowledge gained from the course, to strive to become leaders in the next era, and to accept and implement the USDA objectives with conviction. [passage omitted]

Mon Separatist Leaders Suspend SLORC Talks

BK3008125194 Bangkok THE NATION in English 30 Aug 94 p A10

[Text] Sangkhla Buri—Mon separatist leaders have decided to suspend ceasefire negotiations with the State Law and Order Restoration Council (SLORC) ruling Burma, a member of the New Mon State Party's (NMSP) central committee said yesterday.

"We have decided not to meet the SLORC again until they agree to discuss 14 points which we have raised and which refer to a political settlement," said Nai Pe Theing Zea, a Burmese Mon lawyer who sits on the NMSP's chief decision-making body.

The central committee has been holding a crucial meeting over the last few weeks on whether to continue the ceasefire negotiations.

Pe Theing Zea said that in three rounds of talks with the SLORC in Moulmein the Burmese junta had only been willing to discuss how much area the Mon guerillas would be allowed to hold.

He said the area offered had been too little.

"The first time we met, we came with the 14 points, but they only wanted to talk about where we would be allowed to stay," the Mon leader said.

"We don't want to sign a ceasefire agreement without a full political settlement, but we were willing to sign a general agreement on where troops could go. But the second time we met, they offered us a smaller area, and the third time an even smaller area: 12 zones, each with a five-mile radius. Mon troops would be allowed to keep their weapons in these zones, but would need to obtain permission to leave. The last time we met, SLORC said if we wanted to talk again, we could only discuss which 12 zones we would hold. So we have decided to suspend the talks," Pe Theing Zea said.

He noted that two ethnic groups, the Kachin and the Wa-who, who have signed ceasefire agreements with the SLORC had both received large contiguous areas to "manage".

Pe Theing Zea said Mon leaders were also unhappy with the SLORC offer for a political settlement.

"They said we can only discuss politics if we give up our weapons," he explained. "Then we would be allowed to attend the national constitution convention being held in Rangoon, but only as observers."

Among the 14 points sought by the Mon are a nationwide ceasefire with all guerillas and the release of all political prisoners, including Aung San Suu Kyi.

Pe Theing Zea said he believed the SLORC wanted the two Mon leaders recently freed from prison to serve as mediators in SLORC-NMSP negotiations. He said that it may also have been an attempt to win over Mon people after Burmese soldiers attacked Halockhani and caused 6,000 Mon refugees to flee into Thailand.

Pe Theing Zea said the NMSP central committee did not discuss the refugee issue. But he said it was his personal belief that the refugees should respect Thai sovereignty and go back to Halockhani if the SLORC promises not to attack again and if the Thais agree to provide shelter and assistance on Thai soil should another attack occur.

Soldier Surrenders in Southeast Command Area

BK3108091494 Rangoon Radio Burma in Burmese 0630 GMT 31 Aug 94

[Text] Members of armed organizations in the jungles who have come to appreciate the endeavors and genuine goodwill of the State Law and Order Restoration Council have been surrendering continuously along with their arms and ammunition at various camps. On 16 August, Private Kyaw Tun, alias Lun Aung, 22, son of U Ye Tint, from the ABSDF's [All Burma Students' Democratic Front] 201st Battalion, surrendered along with an M-16 automatic rifle, one magazine, and some M-16 ammunition at the Tawwa camp in the Southeastern Military Command Region. He was warmly welcomed by the responsible personnel in the camp.

Brunei, Malaysia & Singapore

Malaysia

Deputy Prime Minister 'Satisfied' With PRC Trip

BK3108091294 Kuala Lumpur Voice of Malaysia in English 0600 GMT 31 Aug 94

[Text] Deputy Prime Minister Datuk Sri Anwar Ibrahim is satisfied with his one-week trip to China. Speaking to newsmen in Shanghai, Datuk Sri Anwar said the honor and appreciation accorded to Malaysia as well as the prime minister was very high. This was seen in the frank opinions expressed by Chinese leaders in Beijing and the provinces visited, including Nanjing, Jinan and Shanghai. The deputy prime minister said that the spirit of cooperation and friendship between the two countries is at a high and remarkable level.

Commentary on Efforts To Enhance PRC Trade

BK2708120094 Kuala Lumpur Voice of Malaysia in English 0810 GMT 27 Aug 94

[Station commentary]

[Text] Bilateral trade and investment ties between countries do not expand automatically. The relationship has to be nurtured for it to bear fruit and be meaningful.

It is in this spirit that deputy prime minister of Malaysia, Datuk Sri Anwar Ibrahim, is a leading a trade and investment mission to China. The six-day visit is part of Malaysia's ongoing effort to enhance a two-way economic linkages. It is a follow up to Prime Minister Datuk Sri Dr. Mahathir Mohamed's visit to China in May this year. Malaysia considers China as a very important emerging market with massive potential in the future. Its vast population alone offers an unprecedented consumer base which has yet to be fully tapped.

The fact that Anwar is accompanied by a 147-member business delegation is a clear reflection of how serious Malaysia treats the China market. Investment opportunities are abundant in China for it is still in a transition to a market economy. Potential investment areas include infrastructure projects, power generation, light industrial activity, as well as the manufacture of consumer goods. However, in their earnestness, foreign investors must not expect too much by way of facilities for investment. From the experience of those already there, they need to exercise patience in dealing with the bureaucracy.

China has a long way to go introducing red tape. Anomalies exist in the areas of approval. Provincial governments may agree to a certain venture but it still needs the nod from Beijing and this is where conflicting decisions arise. Sometimes, the delay in obtaining approvals can be disheartening. There were instances where Malaysian companies were given the idea they had already got the contract only to learn later that the central government has rejected their proposal.

But Malaysian investors should not be put off by such problems. Rather, they should take it a challenge, and persevere and learn from those already having made it in China. In contrast, the Chinese Government on its part, should try to offer investment incentive as well as make things easy for foreign investors. After all it has been agreed upon at the government level that Malaysian-Chinese partners should form strategic alliances which is mutually beneficial. China cannot just rely on its large consumer base and cheap labor as attractive enough to lure foreign investors. The republic has to realize that in Asia itself, there are numerous other markets vying for the investment dollar by offering very attractive incentive. These are areas which need to be addressed by the Chinese authorities. For example, the Chinese Government's move to offer more attractive incentive to foreign investment in the rural areas is a step in the right direction.

The visit is also significant in that the scheduled talks between Anwar and Premier Li Peng in Beijing will go a long way in bringing the peoples of both countries closer together. Given the (?rapid) growth in both economies, Malaysia and China have what it takes to forge a truly meaningful trade and investment bond. This would not only provide the boost to the already booming Asia-Pacific economy but also helps to rejuvenate the flagging global economy.

* Malaysia To Be 1st Islamic 'Developed' Country

94SE0225A Kuala Lumpur BERITA HARIAN in
Malay 25 Jul 94 p 2

[Article by Rashidi Karim]

[Text] Kuala Sanglang (State of Perlis)—It is certain that Malaysia will be the first Islamic "developed" country by the year 2020. This was stated by Minister of Defense Najib Tun Razak.

According to the minister, after well known Western experts had studied several aspects of Malaysia, including its speed of economic growth and political stability, they have expressed the view that it will become a developed country.

He said: "This opinion of Western experts fits in with the view that Malaysia will be a developed country by the year 2020."

He continued: "Now we are even engaged in opening up new and more modern areas of economic activity, such as the manufacture of aircraft and satellites." He made this statement when he was speaking on 25 July to about 1,000 members of UMNO [United Malay National Organization] at the meeting of the People's Joint Leadership Council in the Simpang Sanglang Public Hall in Kuala Sanglang.

He said that with increasingly rapid development Malaysia will become an exporter of aircraft and an information center in Southeast Asia.

In this connection he said that as long as UMNO or the Barisan Nasional [National Front] controls the government, there is nothing to prevent Malaysia from becoming a developed country as provided in the Wawasan 2020 Program [Objective 2020 Program].

Najib said that the Western observers have also said that the initial Islamic awakening in this country will begin with its emergence as an Islamic cultural center during the 21st century.

Also attending the council meeting were Dr Abdul Hamid Pawanteh, chief minister of the State of Perlis; Arah and Shahidan Kassim, members of Parliament; and Kamaruddin Ahmad, a member of the 373 State Legislative Council for the Kuala Sanglang district.

Speaking as deputy president of UMNO, Najib said that during the 40 years that UMNO has been in power the national economy has continued to develop, using the same system adopted by all countries, including Islamic states.

He said: "As our economy matures, we need to send our armed forces to serve under the United Nations, at our own expense, in a number of countries which are facing a crisis."

He said: "Take the case of Bosnia. We initially contributed 360 million Malaysian ringgits along with our peacekeeping mission there."

According to him, although the costs will ultimately be paid by the UN, it is believed that this payment process will take a rather long period of time.

Regarding the customary law [hukum hudud] referred to by the PAS [Pan Malaysian Islamic Party], Najib said that this traditional law is part of Islamic law, which is applied by the PAS in a rather disorganized way for purely political objectives.

He said: "In any case we continue to study this traditional law referred to by PAS. We have appointed several internationally known experts and Islamic ulama [Muslim teachers] to conduct this research."

Singapore

Counter-Money Laundering Measures Issued

BK2608072594 Singapore THE STRAITS TIMES in English 25 Aug 94 p 40

[By Robert Ng]

[Text] The Stock Exchange of Singapore (SES) has issued a set of detailed guidelines to stockbrokers as a precautionary measure against money laundering activities in the securities industry.

The guidelines, which were sent to all SES member firms last week, also apply to activities carried out by the broking firms' foreign branches and subsidiaries.

The guidelines recommend that member firms avoid significant business transactions with who customers who fail to provide evidence of identity.

And whenever possible, the prospective client should be interviewed personally, the SES said.

The exchange said the guidelines were drawn up in order to preserve the good name, integrity and reputation of the securities industry in Singapore. It recognised the need to prevent the industry from being used for the furtherance of criminal purposes through money laundering activities. It is understood that the guidelines were not introduced because of any specific instance of money laundering activities involving stockbrokers.

The Government has also introduced a set of similar guidelines to banks in Singapore recently. It amended banking secrecy rules to allow the authorities to enquire about bank customers involved in money laundering and to facilitate drug-trafficking investigations.

In the SES guidelines, money laundering is defined as any procedure to change the identity of illegally-obtained money so that it appears to have originated from a legitimate source.

Illegally-obtained money, under the guidelines, is money derived directly or indirectly from the commission of any offences listed in the Drug Trafficking (Confiscation of Benefits) Act 1993.

The exchange said stockbroking firms are required to maintain all relevant records and they must be able to furnish the particulars of a customer when requested by the appropriate law enforcement authorities.

Record-keeping includes the ability to reconstruct any transactions made through the broker.

Stockbroking firms should also clarify the economic background and purpose of any transactions where the form or amount appear unusual. It is not the member companies' responsibility to investigate systematically all customers' transactions for possible connection to criminal activities, said the exchange. But member firms are advised to verify and assess the background of transactions whereby the securities purchases or sales involved unusually high amounts relative to the normal business activities of the customer.

Internally, member companies are asked to appoint at least one senior person or a unit to advise the management and staff on the issuance and enforcement of in-house instructions to meet the recommendations of the guidelines.

They are also asked to set up a system for the internal reporting of suspicious matters and, where necessary, for reporting to the appropriate authorities.

Daily Previews Two Issues at Cairo ICPD Meeting

BK3008133294 Singapore BUSINESS TIMES in English 30 Aug 94 p 16

[Editorial: "Hot Air in Cairo?"]

[Text] Well before 20,000 earnest delegates descend on Cairo for the opening of the UN World Population Conference on Sep 5, the debate over what to do about an exponential increase in world birthrates has turned bitter and divisive. Every year, 93 million babies are born. The UN Population Fund predicts that global population will rise to 8.5 billion by the year 2025, up from the present 5.6 billion. There are more people now alive on the planet than have ever lived; for the first time in human history, the dead are a minority.

Two issues have turned the UN's efforts to address population growth into a clash of cultures. First, do the population figures constitute a crisis? Recent research has produced evidence that population growth does not of itself preclude economic development. Some argue that with coordinated and equitable global economic management, the world has the capacity—contrary to popular assumption—to sustain its inhabitants even as they multiply at present rates. Whether or not one believes this is not the point. The point is: Can there ever

be a global consensus on such things? More immediately, it calls into question the premise of the 118-page draft report to be finalised in Cairo next week. The report calls for a "stabilisation" of the world's population at 7.27 billion by the year 2050.

Second, the report calls for women to have the right to "terminate pregnancies in those cases where it is allowed by law". It also says that "in no case should abortion be promoted as a means of family planning".

The Catholic Church and the Organisation of Islamic Conference, among other groups, regard the former a universal condonement of abortion, and believe its inclusion in the final report would see a large chunk of the UN's projected \$17 billion budget for population regulation assigned to promoting abortion. Feminist take issue with the second clause, arguing that abortion is a legitimate form of birth control which women ought not be discouraged from using.

These positions are mutually exclusive. So the Cairo conference is likely to produce a great deal of heat but little light. Even as an agency to promote a semblance of international political order, the UN has not been resounding success. How then can it presume to set the agenda for something as fundamental as procreation? A global coordination of efforts to improve the lot of humanity is just the sort of thing UN civil servants like to take on. But on questions that concern the sanctity of life, the Cairo Conference, and the UN as a whole, is out of its depth. As long as life on this planet is organised in a system of nation states, national governments should be the ones to worry about population policies. That may leave a range of disparate population policies, from the draconian anti-birth measures of China and India, to the pro-growth campaigns of Malaysia. Let the people within each country decide for themselves how many children they want, when they want them and how they will abide by the policies of their governments. The problem is too complex and demanding, perhaps even for the wisest of philosophers; it is certainly too much for the Cairo conferees.

Cambodia

Government To Attack Khmer Rouge in Phnum Voar

BK3108080994 Phnom Penh *CAMBODIA TIMES* in English 28 Aug-3 Sep 94 p 5

[Text] The Khmer Rouge base at Phnum Voar (Vine Mountain), Kampot Province, is to be completely destroyed and all its Khmer Rouge elements killed or captured by first November this year.

THE CAMBODIA TIMES has reliably learned from Royal Cambodian Armed Forces (RCAF) sources that the division to spearhead the attack will come from Treng in Battambang.

The Khmer Rouge base at Phnum Voa, now renown throughout the world in recent weeks for being the captive place for three Western hostages, is commanded by a seemingly affable commander by the name of General Paet.

The base is now ringed by at least 2,000 RCAF men armed with heavy weapons such as vehicle mounted multiple rocket launchers, artillery and with anticipated air to ground rocket fire from helicopters.

The number of Khmer Rouge guerillas at the camp varies from as low as 80 to 200 and comes under the Regiment 75. The base is approximately 10 square kilometres in size and is at the southwest corner of Kampot.

General Paet of the Khmer Rouge has reportedly mounted as many as eight attacks on trains in the past 18 months. The railway lines which link the city here to Sihanoukville lies just kilometres from the southern end of Phnum Voar Mountain.

The RCAF sources said that the Royal Government was concerned with the number of attacks which had taken place on trains and the hostage taking crisis has just hardened the government's resolve to destroy the base once and for all.

"This will make the train and road journey from Phnom Penh to Kampot more safer and will also instill and restore confidence on the rail services between the city here and Sihanoukville."

"It is not just train passengers but also goods from the port city heading for the city here. We have to do something to eliminate this problem. Otherwise, our efforts to attract tourists and investors will be in vain, what with the loads of negative reporting about security problems here," the sources said.

Phnum Voar mountain base of the Khmer Rouge at Andong Cheak, has achieved notoriety in the eyes of the government and to the Vietnamese, it was one of their very few military failures here.

The Vietnamese soldiers had reportedly failed in repeated attempts to capture this Khmer Rouge base. The main attributes to this, was the high ground defense which favoured the defenders (Khmer Rouge) against the attackers (Vietnamese and then the State of Cambodia army).

In addition to this the Khmer Rouge also reportedly possess heavy weapons on the mountain top. These range from anti-aircraft battery to 155-mm artillery pieces.

The Khmer Rouge base is surrounded by rice fields and beyond that, a dense minefield. The mine fields were a major deterrent to the attackers and are still a source of much concern to the RCAF.

What is certain is that now that the celebrated hostages are released [as published], although the Western media did not pay much attention to the fate of the Vietnamese and the locals who were also taken in the train attack on July 13, the base will come under attack.

"Although casualties are expected to be heavy, given the terrain, defense positions and mine fields, the RCAF must destroy the base once and for all. Otherwise, the security of Kampot and the infrastructure facilities will be affected."

"In addition to this, the overall security of the province will also be in question and this does not augur well for national rehabilitation, given its proximity to the city," the RCAF sources said.

Defense Minister Tie Banh on Phnum Voar Attack

*BK3108131594 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 29-30 Aug 94 p 5*

[All quotation marks as published]

[Text] Replying to questions by reporters on the military operation against Phnum Voar, General Tie Banh, co-minister of national defense, said that "this is something that the Khmer Royal Armed Forces [KRAF] must do."

General Tie Banh affirmed that the Khmer Rouge have frequently attacked, robbed, and killed people; burned houses and villages; and destroyed roads and bridges in remote areas. The KRAF can and should launch attacks in some other areas, too, not just Phnum Voar.

This not-so-clear statement by General Tie Banh seems to be connected with some countries' request that the Khmer Rouge not be attacked because of the safety of three foreigners.

General Tie Banh said this at the Chatomuk Conference Hall when reporters asked about the situation and the military operation in the Phnum Voar area on 26 August following the Assembly's 20-minute break.

General Tie Banh further affirmed that "it is not that the Royal Government wants to provoke war with the Khmer Rouge; this is being done in accordance with the government's role of ensuring a peaceful life for the people.

General Tie Banh clearly stressed that "The KRAF would like to say the following: Do not think that we cannot attack Phnum Voar; we can do this. There is nothing that is impossible; it is just a little difficult.

General Tie Banh specified that "The former State of Cambodia's Army attacked Phnum Voar once already in 1992; we went all the way to the top of the hill. However, since we did not station troops there, they [the Khmer Rouge] returned.

General Tie Banh went on to say that "The KRAF has not strongly fought back because we have abided by the

Royal Government, particularly out of concern that it will affect the lives of the three foreign hostages taken by the Khmer Rouge to Phnum Voar.

Concerning the statement that "The Khmer Rouge have announced that they will no longer be responsible for the safety of the three hostages after 30 August, General Tie Banh stressed that "At that time people will see the Khmer Rouge's true nature. Since I have known them, the Khmer Rouge have never responded positively. When they respond positively, they will no longer be called Khmer Rouge.

So far, there have been no reports stating that government troops have already attacked Phnum Voar. Observers are following this situation and will observe what happens after 30 August.

Government, KR Resume Hostage Negotiations

*BK3108044894 Hong Kong AFP in English 0431 GMT
31 Aug 94*

[Text] Phnom Penh, Aug 31 (AFP)—The Cambodian Government and the Khmer Rouge [KR] have resumed negotiations on the release of three western hostages captured by the rebels in July, a senior government official said Wednesday.

Deputy Information Minister Khieu Kanarith said the two sides had started up the negotiations on Monday, on the eve of the Khmer Rouge deadline for agreeing to terms for the hostages' freedom.

When asked about the nature of the talks, Khieu Kanarith said the two sides were "discussing the release of the hostages," and that Khmer Rouge guerrillas "on a local level" were not calling for an end to foreign military aid.

Khmer Rouge radio broadcasts have tied the release of the hostages to the cutting of military aid to Phnom Penh, particularly from Australia, France and the United States.

Australian David Wilson, Briton Mark Slater, and French national Jean-Michel Braquet, were captured on July 26 following a guerrilla ambush on a train in the southern province of Kampot.

A messenger between the government and the rebel camp said Tuesday that negotiations had been stalled by the shelling of Khmer Rouge positions by the Cambodian Army, including the site where the hostages were being held.

The government has repeatedly denied shelling in the vicinity of the hostages, although messages from the hostages and independent sources have said that bombing was widespread in the area.

The Khmer Rouge deadline for negotiating the release of the captives lapsed without event Tuesday, despite earlier rebel threats that the lives of the hostages could not be guaranteed beyond that date.

A number of Cambodians and three Vietnamese were also taken in the train ambush but there have been conflicting reports as to whether they were still being held by the rebels.

Defense Minister, General Confirm Talks

BK3108112894 Hong Kong AFP in English 1109 GMT 31 Aug 94

[By Philip McClellan]

[Excerpts] Phnom Penh, Aug 31 (AFP)—The Cambodian Government and the Khmer Rouge have resumed negotiations on the release of three western hostages captured by the rebels in July, senior government and Army officials said Wednesday.

"Negotiations are continuing," Army General Nhoek Bunchhai said, adding that officials who had met with the guerrillas holding the hostages in the southern province of Kampot were due back in the capital late Wednesday.

Deputy Information Minister Khieu Kanarit said the two sides had started the negotiations on Monday, on the eve of a Khmer Rouge deadline for agreeing to terms for the release of the hostages. [passage omitted]

Khieu Kanarit added that there was no discussion of paying a ransom for the three captives, despite a report in the CAMBODIA DAILY newspaper here Wednesday that the Defence Ministry was offering 15,000 dollars for the hostages' freedom.

Defence Minister Tie Banh confirmed the talks were taking place, but said, "It's very hard to negotiate with the Khmer Rouge because we don't know exactly what they want."

But, he added, the government's number one priority was "to ensure that the hostages were freed alive." [passage omitted]

Sihanouk's Wife Asks KR To Free Hostages

BK3008161794 Phnom Penh AKP in English 1102 GMT 30 Aug 94

[Text] Phnom Penh AKP August 30 —Queen Norodom Monineath Sihanouk, wife of Cambodia's king, sent a letter on Saturday, 27 August, to Khmer Rouge [KR] leader Khieu Samphan urging his faction to release immediately both foreign and domestic hostages. In her letter dated on August 27 sent from Beijing to Khieu Samphan the queen said: "I have followed with deep concern the sufferings of a number of Cambodians and some foreigners being held hostages by the local force of General Pet.

"It is [for] humanitarian reason and the consideration to the hostage family that I decided to send in my capacity as honorary chief of the Cambodian Red Cross to your

excellency asking you to persuade General Pet to release the captives as soon as possible.

"I believed that the entire world would be grateful," the queen said.

PGNUNS 'Cabinet' Issues Communique

BK2908145994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 29 Aug 94

["Communique" of the Secretariat of the Provisional Government of National Union and National Salvation; issued on 29 August; place not given—read by announcer]

[Text] I. On Monday, 29 August 1994, the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the national army, and with the participation of all its members.

II. The cabinet heard reports presented by various ministries on developments in all fields, thoroughly discussed them in all aspects, and pinpointed both successes and shortcomings with high responsibility for the destiny of our nation and people. In this regard, the cabinet took concrete measures to inform our nation and people so that together they would accelerate the struggle in all fields and sectors to quickly realize the political objectives of our PGNUNS.

III. In light of the reports and concrete developments emerging in all aspects—political, military, economic, and diplomatic—in the countryside, in Phnom Penh, and in Southeast Asia, the cabinet clearly saw that the two-headed government was utterly bankrupt. They now find themselves totally bogged down, in a complete impasse, and losing control in all sectors and domains. Militarily, they have no troops with which to fight. Politically, the people are opposing and rejecting them more vigorously and in all directions, in the countryside, in Phnom Penh, and abroad. Economically and financially, they are completely broke. They are experiencing increasing difficulty getting military and other types of aid as both the Cambodian people and the peoples of other countries in the region are mounting opposition against them. In such a situation, their bosses—communist Vietnam and the villainous Western alliance—have also found themselves inextricably bogged down, cornered, and losing all control.

IV. The cabinet clearly noted that our national salvation forces are growing systematically and are driving the two-headed government, communist Vietnam, and the villainous Western alliance into such a desperate predicament because:

I. Our entire nation and people have a clear concept of, and not the slightest illusion about, communist Vietnam, the communist Vietnamese puppets, the villainous

Western alliance, and the two-headed government. Through their policy and actual deeds over the past 15 years, our nation and people have clearly seen and clearly grasped the true nature of the communist Vietnamese aggressors and that of the villainous Western alliance. They are the old and the new aggressors. Then, who are the communist Vietnamese puppets and the two-headed government? They are traitors and betrayers of the nation joining hands in serving communist Vietnam and the alliance to murder the Cambodian nation and people.

2. Our nation and people have a seething conflict with them. It is a national, social, lifestyle, and land conflict. In particular, the peasants in the countryside are in a serious conflict with communist Vietnam, the communist Vietnamese puppets, and the two-headed government. It is a political and economic conflict, a conflict over the conscription of troops and militiamen and myriad types of taxation. This conflict is permanent and constant. For over 15 years, the peasants have suffered from deaths and separations at the hands of communist Vietnam and the communist Vietnamese puppets and, later on, the UNTAC [United Nations Transitional Authority in Cambodia] alliance and the two-headed government. They have drafted them to fight and die. The brothers have lost their land, fields, orchards, rivers, and lakes to the pillaging, arrogant 4 million ethnic Vietnamese. Our entire nation and people, particularly our peasants, are so angry with them that they wage a united struggle against them in all forms and by all means, courageously and persistently fighting through correct methods.

Following their successive united battles, the peasants have joined hands in implementing the guerrilla and people's warfare in a more widespread and effective manner. They have been using simple, primitive weapons, such as punji stakes, cross-bows, and traps planted around villages and along roads, and by the hundreds and the thousands they have been joining the National Army of Democratic Kampuchea in digging and destroying roads, railroad tracks, and pipes, preventing the two-headed government from using them to conduct raids to conscript their sons and husbands as troops or militiamen to fight and die in the service of the communist Vietnamese puppets and two-headed government traitors. In this way, they have deprived the two-headed government of troops with which to fight, as the peasants have continued resolutely to struggle against being drafted by the two-headed government.

V. Seeing that our entire nation and people have such a clear concept of communist Vietnam, the communist Vietnamese puppets, the villainous Western alliance, and the two-headed government; seeing that our entire nation and people, particularly our peasants in the countryside, are in such a profound conflict with them; and seeing that our entire nation and people, particularly the peasants in the countryside, are joining hands in waging a struggle and implementing a guerrilla and

people's warfare so effectively that the two-headed government have failed to get troops with which to fight, the cabinet advised each ministry to take more concrete and thorough measures aimed at encouraging the provincial, district, commune, and village committees to continue cooperating with our people more successfully, correctly, and closely as a single body so that the people will be more confident in their own invincibility and will clearly understand their role in the struggle to prevent the two-headed government from conscripting them. They will understand that in so doing they contribute to quickly ending the aggressive war of communist Vietnam and bringing genuine peace back to Cambodia.

As the situation is developing at such a great speed, the cabinet and our people from all social strata, particularly the peasantry, will continue to implement the guerrilla and people's warfare in a more widespread, active, and effective manner, preventing the two-headed government from conscripting them as troops or militiamen; preventing the villainous Western alliance from continuing to ignite the aggressive war of communist Vietnam; and also preventing them from having troops with which to fight during this rainy season. In so doing, the two-headed government which makes a living out of the war will be bankrupt; the aggressive war of communist Vietnam will be ended once and for all; national reconciliation, national unity, and peace will be achieved; our country will be restored; and our entire people, both in the countryside and the cities, will have the opportunity to work in peace and prosper in happiness.

[Dated] 29 August 1994

[Signed] The Secretariat of the PGNUNS

Ieng Muli Calls Foreign Media Reports 'False'

BK3008072494 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 29 Aug 94

[Text] Information Minister Ieng Muli has said that compatriots living in France have always heard bad news concerning their country through foreign media, which have almost always talked about the bad things in Cambodia, such as the problem of insecurity and the problem of the Khmer Rouge. All those reports have been almost completely false or exaggerated. The foreign media have never carried reports on anything positive, such as national development, in Cambodia.

Ieng Muli [also chairman of the Administrative Council of the Cambodian Mine Action Center] stated this at Pochentong Airport on 26 August upon returning from a Geneva seminar on mining. He added that in interviews in France with French radio's Cambodian program, English radio's French program, and French television, he had explained the situation concerning Cambodia, which has now become politically stable, and talked about the Cambodian people, who live in peace and earn their livings in security.

Ieng Muli added that in France, our people have grossly misunderstood the allegations of widespread insecurity in Cambodia; therefore, they dare not come and visit or do business here. He voiced his concern that owing to the often-exaggerated foreign reports and due to their misunderstanding of national problems and the problems of the royal government, our compatriots have become greatly confused. This concerns us, so we must find ways to dispatch accurate news in order to make them increasingly aware of the actual situation.

Somehow, Ieng Muli did not talk about the suggestions or appeals to be made to the foreign media.

A press law has not been approved yet. A draft press law was presented once to the National Assembly, but Ieng Muli retracted it for subsequent amendment because of strong reaction from some journalists and international organizations that the law was too tough.

Commentary Views Enforcement of Immigration Law

BK3108022094 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 30 Aug 94

[Unattributed "Political Commentary": "Steps That Must Be Taken"]

[Text] The Cambodian National Assembly adopted the draft bill on immigration at 1200 on 26 August 1994 with 97 votes in favor. This law will be promulgated urgently. According to the Constitution of the Kingdom of Cambodia, any law passed for urgent promulgation takes effect once a royal decree is issued. Laws that are not urgent take effect nationwide 20 days after their promulgation by royal decree.

It should be noted that the immigration law—comprising seven chapters with 41 articles—is retroactive. The adoption of this law is only the first step. The next steps that need to be taken face many difficulties and obstacles. It is true that with its adoption by the Cambodian National Assembly this law provides a solution regarding foreigners who have been living in Cambodia without authorization from the government or the competent ministries. Worry has been expressed, however, concerning what measures the government will take against foreigners once the law comes into force.

As a whole, this law will not be applied immediately against foreigners who are living in Cambodia illegally. The Interior Ministry and the Royal Government will issue circulars, communiques, and subdecrees to fine-tune the legal procedures that will be applied against foreigners. Measures dealing with illegal foreigners must be based on respect for universal human rights. It is also necessary to study and solve problems based on reality. This means that there will be no immediate expulsion of foreigners because this could affect our foreign relations, particularly with neighboring countries. This will proceed gradually in accordance with legal principles.

As First Prime Minister Prince Krompreah Norodom Ranariddh said during a ceremony in Phnom Penh, this immigration law has not been promulgated to chase out the Vietnamese. It will apply to all foreigners. Those who are here illegally will have to go back to their countries. The Royal Government will enact firm measures on this issue, but not in the same way as the Khmer Rouge; in other words, this will be done in accordance with the principle of respect for human rights.

Ranariddh Comments on Eliminating Corruption

BK3008133594 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 29-30 Aug 94 pp 1,4

[Report by Srei Net]

[Text] Prince Krompreah Norodom Ranariddh has stated that corruption can only be eliminated if a law is passed. If corrupt practices are to be eradicated without a law, those who will die first are the impoverished because corrupt 'big shots' are both powerful and untouchable.

The prince disclosed this to the students of the Faculty of Architecture on 25 August. He added that because our country is still poor, we must solve the problem of corruption; however, what can we do since everybody finds it difficult to even survive. In reality, we can only solve the problem of corruption gradually if our country is prosperous. The second question is that if we want to solve the corruption problem, we must pass a law that is applicable to both influential and common people.

Prince Krompreah Norodom Ranariddh further said that he would support the move to suppress corrupt practices, but it should be applicable from the top echelon down.

One still remembers that more than a month ago, Samdech Hun Sen revealed that he would establish an anticorruption committee to crack down on the problem. Later, Prince Krompreah also voiced support for the initiative.

To date, a great number of newspapers have focused on the corruption problem, saying this issue constitutes an important test for the government, which is also battling the Khmer Rouge. The newspapers have accused the government of being incompetent in suppressing corruption, thereby leading Cambodia toward growing anarchy.

Corruption has deeply taken root in Cambodian society. In particular, corruption thrives in the educational sector, where teachers have taught students, from the first year how to bribe.

It is a great success that this year the Education Ministry has been able to crack down on corrupt practices during every examination. Prince Krompreah Norodom Ranariddh evaluated the suppression as a great success achieved by the ministry. Although only a small number

of students have passed, this provides us with quality and renders justice to those who have striven with their own ability.

So far, no reliable sources have indicated that a law on corruption suppression has been drafted.

Government Cancels 3 Finance Ministry Declarations

BK2608115094 Phnom Penh AKP in English 1019
GMT 26 Aug 94

[Text] Phnom Penh AKP August 26—The Royal Government of the Kingdom of Cambodia has decided to cancel three declarations made by the Ministry of Finance on special payment for the ministry's officials and treasury employees and on the implementation of contracts between the Royal Government of Cambodia and the Inchscape Testing Service International Limited which the ministry declared.

In a sub-decree dated on August 17 and signed by Co-prime Ministers Prince Norodom Ranariddh and Hun Sen, the Royal Government of Cambodia decided as follows:

- 1- Cancel the declaration No.064 of the Ministry of Finance dated on June 11, 1994 on subsidy-payment to public accountants and treasury employees.
- 2- Cancel point 5 of the decision of the Finance Ministry's weekly meeting held on May 17, 1994 on special allowances for its own staff's missions.
- 3- Cancel the declaration No.057 dated on May 28, 1994 made by the Ministry of Finance on the implementation of contracts between the Royal Government of Cambodia and the Inchscape Testing Service International Limited dealing with controlling imported merchandises before disembarkation.

The Royal Government also issued a circulation dated on August 1994 advising chiefs of ministries or institutions not to decide something beyond their capacity.

Leaders' Meeting with King in Beijing Reviewed

BK2908130694 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 28 Aug 94 pp 1, 9

[Commentary by Seihai]

[Text] First Prime Minister Prince Krompreah Norodom Ranariddh left Phnom Penh for Beijing at 0800 on the morning of 26 August aboard a special plane of Cambodia.

Just three days earlier, the prince told the National Assembly that he would see and report to his his majesty the king about some important works and the currently developing politico-economic situation in the Kingdom of Cambodia.

Commenting on Prince Krompreah Norodom Ranariddh's trip to Beijing, Khieu Kanharit, state secretary for information, said: "The prince first prime minister will report to the king about the task of leading the country, and about the government and the current political and security situation in Cambodia." He added that it is quite normal for government leaders to take turns at briefing the king fortnightly on the situation in the country because the latter, in Beijing, has not been fully aware of the situation.

However, Cambodia watchers seem to be feeling that there is something happening in Beijing where the king is receiving medical treatments. It is believed that an "internal" discussion is taking place there because the Cambodian leaders have lately made unofficial visits to the Chinese capital city one after the other.

Apart from paying solicitous visit to the ailing king, what is the effect of the trip of Samdech Hun Sen, Samdech Chea Sim, Prince Ranariddh, and Prince Kromkhun Chakkrapong on the future politics of Cambodia?

It is worth recalling that the prince first prime minister recently said that Samdech Hun Sen's trip to Beijing on 11 August was "to brief the king on the issue of the coup d'etat." Even though there is no source disclosing the substance of the briefing, Tie Banh and Tea Chamrat, coministers of national defense, and other four high-ranking officials, who are all members of the committee investigating the coup attempt, were seen traveling with Samdech Hun Sen to Beijing, too. Along with a quasi-official report, there was a rumor that Samdech Hun Sen had brought along a new cabinet lineup list, according to which at least 10 ministers will be swapped, to present to the king. The report has not yet been confirmed.

Samdech Hun Sen returned from Beijing quietly. However, two events were noted. The first one was a rumor that there would be a change in the hierarchy of the Cambodian People's Party [CPP]—Samdech Hun Sen was reported to be replaced by Sar Kheng. The CPP made an official denial of this report, saying it was an exaggeration invented by the Khmer Rouge or groups opposing it. The second event was that on 14 August, the king sent a message to his cabinet in Phnom Penh, saying he was vigorously opposed to a demonstration, although peaceful, calling on him to assume executive power. The king added he could not accept the power because he was too old and sick.

On the night of 18 August at the celebration of the 62d birthday of Thai Queen Sirikit at the Le Royal Hotel in Phnom Penh, a report on "the rumor of another coup attempt" was whispered by Western diplomats. Somehow, there was no confirmation of who the coup leaders were or what the goal of the plot was.

It is worth noting that Samdech Hun Sen abandoned his trip to Malaysia on 17 August and let Sar Kheng accompany Prince Krompreah Norodom Ranariddh instead. It was reported that the absence was due to Samdech Hun

Sen's ill health, due to the two leaders taking turns at going abroad, and due to Samdech Hun Sen needing to stay to monitor the situation concerning the "rumor of another coup attempt."

Early this week, Samdech Chea Sim also went to Beijing, and it is believed that he would also present a report to the king on the situation in Cambodia. On 26 August, Samdech Chea Sim was still in Beijing.

It was believed that Prince Kromkhun Norodom Sirivut, on his way home from Sweden, would travel to Beijing on 26 or 27 August.

According to his schedule, Prince Krompreah Norodom Ranariddh will return to Cambodia on 1 September, and if nothing has changed, Prince Kromkhun Norodom Chakkrapong will arrive in Beijing early next week. Therefore, it can be seen that after Samdech Hun Sen's trip to Beijing at the end of August [as published], other leaders, such as Prince Krompreah Norodom Ranariddh, Samdech Chea Sim, Prince Kromkhun Norodom Sirivut, and Prince Kromkhun Norodom Chakkrapong also went there. What is the topic of the meetings? Are the meetings a coincidence? Or are they rendezvous to solve the problem of a cabinet reshuffle, the problem of handing over power to the king, the problem of another coup d'etat, or a new problem with the Khmer Rouge in the wake of Chan Yuran [deputy prime minister, minister of foreign affairs, and minister of the defense of national culture, literature, and customs of the Provisional Government of National Union and National Salvation] reportedly breaking loose?

Chea Sim's Visit to Beijing Detailed

BK3108034294 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 31 Aug 94 pp 1, 2

[Text] Samdech Chea Sim's personal secretary has said that during a recent trip to Beijing to visit Samdech Euv [King Norodom Sihanouk], National Assembly Chairman Samdech Chea Sim did not meet with Prince Kromkhun Chakkrapong, leader of the failed coup. Um Sarit—speaking as someone who accompanied Samdech Chea Sim on the trip to Beijing—confirmed this to REAKSMEI KAMPUCHEA on 29 August.

Samdech Chea Sim quietly left Phnom Penh for Beijing on 22 August and returned to Phnom Penh on 28 August. Um Sarit said that Samdech Chea Sim "only stayed in Beijing for two nights and three days and left for Malaysia on 24 August." Sarit said that the 24-28 August stay in Malaysia was purely a private vacation.

Um Sarit did not disclose what Samdech Chea Sim told the king about current issues or other problems facing the country, saying: "Only Samdech Chea Sim and the king know that."

Cambodian analysts believe that a string of Cambodian leaders have taken turns visiting and reporting on important issues to the king, who is undergoing medical

treatment in Beijing. No reliable sources have specified what those "important issues" are.

It should be noted that on 29 August—one day after returning to Phnom Penh—Samdech Chea Sim called a meeting of important Cambodian People's Party [CPP] officials. The meeting lasted until the late afternoon. A high-ranking party official refused to comment on the hasty meeting but acknowledged that one item on the agenda may have been the expulsion of Prince Kromkhun Chakkrapong, Sin Song, and Sin Sen from the CPP.

Um Sarit also affirmed that "the king is now in better health because he has completed the eighth phase of his treatment and is convalescing outside of the hospital."

Daily Views U.S. Military Aid Cut to Thailand

BK3008151094 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 29-30 Aug 94 p 2

[Commentary: "Measure Against An Ally"]

[Text] U.S. President Bill Clinton signed a bill requesting the two houses of the U.S. Congress to cut military aid to Thailand if there was sufficient proof of Thai assistance to the activities of the Khmer Rouge rebels and Burmese junta. This is a remarkable measure taken by the United States against Thailand, one of its longstanding allies.

Not only will this decision to suspend U.S. military aid have a financial impact on the Thai military, but it will also cause the Thai military leaders considerable humiliation in the eyes of their own people as well as neighboring countries and the rest of the international community.

Thailand has received an annual \$10 million grant from the United States. In the past, this aid was also part of the action against neighboring communist countries in the Cold War.

It is true that Thailand was deeply involved in the Cambodian problem in the past. In particular, it greatly contributed to the tripartite coalition government made up of the Sihanoukist group, the Khmer Rouge, and the non-communist group headed by Samdech Son Sann. But all of this, in theory, came to an end following the massive UN operation which led to the establishment of a legitimate royal government borne out of the elections.

Because Thailand played an important role when it supported the tripartite coalition government, the Royal Thai Government and particularly the Thai Armed Forces established close contact with the resistance forces. This relationship blossomed not only in combat activities, but in the trade sector as well. Because of the increasing gains from this booming business link, Thailand continued to support the Khmer Rouge rebels, who refused to participate in the UN-organized general elections in Cambodia, after which they were later declared outlaws by the Royal Government of Cambodia.

The Cambodian people are not alone in leveling charges that the Thai military is supporting the Khmer Rouge. Even the Thai people themselves believe that the Thai Army is certainly involved in this affair. There is a long list of evidence to back up this claim, such as the discovery in Thai territory of arms stockpiles belonging to the Khmer Rouge, the forcible repatriation of Cambodian refugees from Pailin to areas controlled by the Khmer Rouge, the charge that Thailand directly helped the Khmer Rouge to recapture Pailin, and so on.

These actions by the Thais have all been known to be a trade-off for business concessions permitting the Thai military to log and denude Cambodia's forests and to help the Khmer Rouge dig up and strip bare Cambodia's gem-rich Pailin region, enabling the rebels to acquire the necessary financial clout to carry on a protracted war in hapless Cambodia.

Again and again, the Royal Government of Cambodia, as well as the international community, asked Thailand to end these illegal activities, but the Thai Government always deferred and shifted the blame to its Armed Forces, while the latter very often denied any involvement.

So the Clinton bill is now dealing a heavy blow to the Thai military leadership. The severance of military aid to Thailand will first be manifested in suspending scholarships to Thai military personnel for 1995.

In order to avoid humiliation from the punitive action taken by the United States against the activities of the Thai military, Thai Army Commander Wimon Wongwanit said, "There is no problem; if the United States cuts that aid we can stand on our own feet." However, the Thai people think that Mr. Wongwanit should not have such a view. This aid cut was initiated not because of the physical or financial strength of the Thai military, but because of its wrongdoing.

For a long time, diplomatic relations between Thailand and Cambodia have been following a very trying course because of the irresponsible activities of the Thai military in support of the Khmer Rouge, and Thailand has never flinched before the accusations leveled against it by smaller, weaker Cambodia. Now it seems that justice is being done for Cambodia as some of the actions of the Thai military are being exposed and condemned by the international community, particularly the United States. Although the punishment seems not to have severely damaged the interests of the Thai military, it constitutes a great humiliation for the Thai people, for the symbol of Thailand, because of the wrongdoing by only a few Thai Army generals.

Indonesia

Military To Supervise Cease-Fire in Philippines

BK3108005694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 30 Aug 94

[Text] Indonesia has granted a request by the Philippine Government and the Moro National Liberation Front

[MNLF] to supervise a cease-fire in the South Philippines. Indonesia will send its military personnel to supervise the cease-fire. Foreign Minister Ali Alatas stated this to the press today after reporting to the president at his Jalan Cendana residence.

With regard to the meeting between the officials of the Philippine Government and the Moro National Liberation Front in Jakarta from 1 to 5 September, Minister Alatas expressed his hope that the meeting in Jakarta can determine the number of ABRI [Indonesian Armed Forces] personnel and the mechanism needed for the cease-fire.

The Armed Forces Foreign Affairs Department at ABRI Headquarters and the Ministry of Politics and Security currently are discussing the issue of sending military personnel.

Minister Denies Plan To Meet E. Timor Dissidents

BK2608134594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Aug 94

[Text] The Government of Indonesia has rebutted recent foreign press reports, which projected the image that the government was making an effort to hold a meeting with former Fretelin [Front for the Independence of East Timor] members such as Ramos Horta C.S.

Foreign Minister Ali Alatas, who made the denial in a press statement in Jakarta today, considered the reports that stated that Bishop Belo probably could have initiated and launched this effort as untrue and illogical.

According to Ali Alatas, these reports are considered to be disinformation by anti-Indonesia groups. He stressed that the only channel for formal negotiations to seek a comprehensive solution on the East Timor issue is through the international forum between the foreign ministers of Indonesia and Portugal under the auspices of the UN secretary general.

Alatas Welcomes DPRK Nuclear Issue Developments

BK2608120094 Jakarta KOMPAS in Indonesian 12 Aug 94 p 15

[Excerpt] Jakarta, KOMPAS—The Government of Indonesia has welcomed warmly the developments to solve the nuclear issue in the Korean peninsula, which involves the International Atomic Energy Agency, IAEA, and the United States.

Foreign Minister Ali Alatas said this to reporters after receiving the First Class Friendship Award from North Korea, which was presented to him by the North Korean ambassador in Jakarta on Thursday (11 August). Muharam Sumadipraja, the former Indonesian ambassador to North Korea, was also the recipient of a similar award.

Alatas said that the development itself was good, particularly with the resumption of more follow-up talks in Geneva. Alatas hoped that the follow-up talks will bring about new breakthroughs that will hasten the resolution of the problem in the Korean peninsula.

He stressed that Indonesia will stand firm with regard to the issue of nonnuclear proliferation, which, in other words, means that the country is opposed to nuclear production, efforts by nuclear countries to modernize their nuclear weapons, and the production of new nuclear weapons.

Responding to questions by newsmen, Alatas said, Indonesian-North Korean relations are not affected politically, particularly because of the solidarity between the two countries that are in the Nonaligned Movement. He said their bilateral economic relations need to be further enhanced. [passage omitted]

Suharto, Australia's Keating Discuss APEC Summit

BK3008125594 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 30 Aug 94

[Text] President Suharto and Australian Prime Minister Paul Keating today held a telephone conversation. Minister/State Secretary Mardiono spoke to reporters at Jalan Cendana [Suharto residence] and said the conversation was conducted in an open and cordial manner. The following are the contents of the 23-minute conversation between the two leaders as reported by Minister Mardiono:

[Begin Mardiono recording] The conversation between the two leaders focussed on the exchange of views regarding the issues to be dealt with by the APEC [Asia-Pacific Economic Cooperation] leaders during the upcoming meeting in Bogor in November. This indicates the two leaders are confident that the upcoming APEC summit will bring about the expected results for the future benefit of Asia-Pacific regional countries. As far as I can remember, the other APEC leaders have similarly and equally considered the importance of achieving the best results during the upcoming meeting in Bogor. As we all know, the president appointed Professor Bintoro as his personal envoy in an effort to achieve the best results. The president also proposed that other APEC leaders appoint their respective personal envoys. The envoys will be directly and intensively involved in the exchange of views. As such, several agreements are expected to be reached during the upcoming APEC summit in Bogor. In fact, the leaders continuously will hold dialogues and exchange views prior to reaching any agreements within a stipulated time frame. Apart from this, Prime Minister Keating inquired about the president's health and the president replied that he is currently in good health. Prime Minister Keating was pleased. [end recording]

President Suharto Opens Development Party Congress

BK3008150794 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 29 Aug 94

[Text] President Suharto stated that one of the missions sociopolitical organizations should undertake in carrying out their national responsibilities is to function generally as a political mediator for its supporters and the country. The head of state said this when he declared open the Development Party's Third Congress in Jakarta today.

He said every political organization should clearly define and ethically implement its basic stand, responsibility, objectives, programs, and administration as well as execute a correct political order. After these basic issues have been satisfactorily stated, they then should be enshrined in the organization's constitution and continuously widened in an effort to encounter new and emerging challenges prevailing within the dynamic society.

State Minister, President Discuss Social Issues

BK2908140094 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Aug 94

[Text] Indonesia opposes homosexuality and the practice of abortion as part of the family planning program. Speaking to reporters in Jakarta this morning after speaking with the president, Haryono Suyono, minister of state for population and head of the National Family Planning Board, stressed that Indonesia will not hesitate to oppose the concept of homosexuality even though such a concept could reduce the population rate.

According to Haryono, about 30 to 40 countries approve homosexuality, but Indonesia will definitely not approve such a concept.

The minister, who was accompanied by Minister/State Secretary Mardiono, this morning met the president to discuss Indonesia's participation in the upcoming high-level population conference scheduled to be held in Cairo from 5 to 13 September.

The president was originally scheduled to lead the delegation in Cairo, but due to health reasons President Suharto has decided to appoint Haryono Suyono to lead the Indonesian team.

Al Arqam Teachings Banned in 9 Provinces

BK2708123394 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 27 Aug 94

[Text] The Jakarta Public Prosecutor's Office has decided to ban the teachings of the Darul Arqam Islamic group, based on the book Aurad Muhammadiyah written by its leader Ashaari Muhammad. In a ruling dated 26 August 1994 signed by Suyoto, chief of the Jakarta Public Prosecutor's Office, the Darul Arqam teachings were described as able to disturb peace and religious harmony in Jakarta. With the ruling issued in Jakarta,

the teachings are now banned in nine provinces in Indonesia, including Central Java, East Java, and West Nusatenggara.

Philippines

Government, RAM Sign Electoral Reform Agreement

BK2608083994 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 26 Aug 94

[Text] Representatives of the government and the Revolutionary Nationalist Alliance [RAM] today signed an agreement on electoral reforms. The agreement was signed by government panel head Fortunato Abat and former General Edgardo Abenina of the RAM.

The agreement resolves to ask President Ramos to certify the bill pertaining to electoral reforms. Stipulated in the agreement is the anti-dynasty provision and an appeal to the Commission on Elections to implement electoral reforms. The agreement also urgently calls on Congress to pass the proposed election code bill. Both panels said that in this way we can be assured of orderly and clean elections.

[Begin Abenina recording] Elections are the foundation of true democracy. If there are no free, clean, and credible elections, democracy is always at risk. We in the Revolutionary Nationalist Alliance want to stress to our government leaders and to the masses that this is an opportunity for us to be aware. [sentence as heard] [end recording]

Korean Engineers Safe After Fleeing Gun Battle

SK2808021494 Seoul THE KOREA TIMES in English 28 Aug 94 p 1

[Text] Seven Korean engineers yesterday fled from their work site near the southern region of the Cotabato city in the Philippines as gun battles intensified between Filipino army troops and Moro Islamic Liberation Front (MILF) rebels.

The workers of the Korean Sinsong Corp. in the city were confirmed to be safe, according to the Foreign Ministry and officials of the construction firm in Seoul.

A Foreign Ministry official denied a wire report that Muslim guerrillas took seven South Korean and 30 Filipino engineers hostages near the construction compound.

He said the Korean government is contacting with the Philippine government for the safe return of the Korean engineers.

Yi Chae-chol, chief of the construction operation in the city, informed the Seoul head office that all of the seven Sinsong workers hurriedly returned to their barracks

near the construction compound Saturday morning (Saturday afternoon in Korea) as the Philippine army encircled the Sinsong compound where Muslim guerrillas were hiding.

The Agence France Presse (AFP) reported that the gun fire took place as the MILF attacked an army post, which broke an undeclared truce and triggered a running gun batt [sentence as published]

Foreign Investment Surges in Jan-May Period

BK2608061894 Manila BUSINESS WORLD in English 24 Aug 94 p 12

[By Rachael A. Morala]

[Text] Direct foreign investments for the first five months of the year reached \$602.61 million, a 160.2 percent increase from last year's \$231.62 million.

The improvement can be attributed to the influx of investments in petroleum and petroleum-related industries.

The bulk or 91.8 percent of total foreign direct investments was directed to the manufacturing sector. Investments amounted to \$553.40 million, 262.77 percent higher than the \$152.55 million posted in the first five months of 1993.

By Industry

Out of the investments in the manufacturing sector, the lion's share went into the petroleum and coal industry. This accounted for 86.65 percent of this year's aggregate. At \$522.149 million, the latest level was also more than five times higher or 429.9 percent more than last year's record.

A far second in overall standing, 3.97 percent of the aggregate investments went into the mining sector. Nonetheless, the country experienced a whopping increase in investments in this area from \$1.42 million in January to May 1993 to this year's \$23.94 million infusion.

As in the manufacturing sector, investments in mining industries were mostly into petroleum and gas production which cornered 95.8 percent or \$22.93 million.

In contrast to the increasing investments in petroleum and petroleum-related industries, other sectors in the economy showed lower infusions.

For instance, a 70.22 percent decrease was seen in capital inflow to financial institutions. Even more significant is the 79.47 percent decrease in investments in public utilities. Data also reveal investments in communications dwindled from \$28.52 million last year to only \$509,000 this year.

Direct foreign investments in commerce and agriculture remain at low levels, amounting to \$2.7 million and \$70,000 million, respectively. [sentence as published]

Foreign Investors

Among the different sources, Netherlands topped the list as it accounted for 83.40 percent or \$502 million of the total. This soared from \$6.05 million in the same period last year.

The United States ranked second, accounting for 4.39 percent or \$26.44 million. Investments from the United States increased 133.11 percent from the same period last year.

On the other hand, investments from the United Kingdom has substantially decreased. From \$118.26 million last year, the Philippines received only \$23.48 million this year. This represented a 80.15 percent decrease.

Investments from the British Virgin Islands decreased as well to \$1.84 million, 93.07 percent lower than last year's \$26.55 million.

Thailand

Cambodia's Chakkrapong Reportedly Goes to France

BK3008124794 Bangkok THE NATION in English 30 Aug 94 pp A1, A10

[Text] Cambodia's rebel Prince Norodom Chakkrapong, accused by Phnom Penh of staging last month's coup attempt, left Thailand last night, national police chief Pol Gen [Police General] Prathin Santipraphop said at the airport yesterday.

No reporters saw the elusive prince yesterday but Prathin confirmed Chakkrapong left on Finnair Flight AY903, which left Don Muang Airport 10 minutes before midnight.

"Now he's really gone," said Prathin, who was believed to have accompanied the prince to the airport.

The prince's destination was not clear. Earlier in the day, Prathin said he would seek asylum in Austria, but last night Prathin indicated Chakkrapong was heading to France.

The prince, denying any involvement in the abortive coup bid, has been classed persona non grata in Thailand and would have faced the risk of detention if he failed to leave. Police immigration chief Charuk Mekwichai yesterday confirmed that Chakkrapong was declared persona non grata by his division last week.

Prince Chakkrapong entered Thailand on Aug. 4 with his wife and son on a 90-day non-immigrant visa issued in Malaysia, where he went at the request of his father, King Norodom Sihanouk, following the coup attempt.

After his entry he was said by senior Thai officials to have left the country but he was later spotted in Bangkok.

Military sources said Prince Chakkrapong had stayed in Bangkok with his Thai wife, Charuwan Phunchan, at Cooperatives Housing Estate in the Sukhaphiban 1 area. They later moved to an unidentified apartment.

The sources said there had been attempts to pressure Prince Chakkrapong to leave quickly to seek asylum in France. His presence in Thailand, they said, could create the impression that Thailand supported the coup attempt.

Foreign Minister Prasong Sunsiri said the Police Department had informed Chakkrapong that he would have to leave the country.

"The police director general told me on the telephone that he would take care of the matter," Prasong said.

He said Prince Chakkrapong's presence in Thailand was a sensitive issue that could affect Thai-Cambodian relations, and as such, Thailand would handle the matter carefully.

Cambodian authorities told Permanent Secretary for Foreign Affairs Pracha Khunakasem not to allow Chakkrapong to stay in the country, he said.

Meanwhile, Prasong pointed out that the Thai Defence Ministry's threat to cut its contribution to the Joint US Military Advisory Group (Jusmag) budget in retaliation for the signing of US legislation attaching conditions to military aid to Thailand, would violate a Thai-US agreement and could not be done.

The agreement stipulates that Thai authorities must notify the US three months in advance if the Bt12 million fund is to be scrapped, he said.

Cambodia wants the Thai government to allow its investigating team to interrogate on Thai soil 14 Thais it suspects of involvement in the July coup attempt in Phnom Penh.

The Cambodian Government has temporarily barred the 14, including Pol Col Lt [Police Colonel Lieutenant] Adun Bunset, a former New Aspiration Party MP, from re-entering Cambodia according to a reliable source at the Interior Ministry.

Cambodia initially demanded permission to interrogate 19 Thais in addition to the nine still being held in Phnom Penh who have been charged with threatening national security. It has now reduced the number to 14.

The source said besides Adun, the others wanted for questioning are Buasawan Bun, Wira Praphawong, Thanawat Trakunsom, Suphong Sichamnong, Sanit Makserikun, Thanongsak Suratananan, Damrong Batmonkhon, Chawan Prasoetsi, Saraphong Thanya, Kraiwat Siwuthiwong.

The three others are identified only as C. Triphetsirikun, Cha. Charoensuk and W. Wisanuwinon.

Adun and Thanongsak have indicated they are willing to be questioned by Cambodian team, but only on Thai soil. Adun, a former adviser to Interior Minister Gen Chawalit Yongchaiyut, said earlier he had legally entered Phnom Penh on business that involved logging interests, but later sneaked back to Thai territory via Cambodia's Battambang province.

Thanongsak, executive director of High-Tech Antenna Co Ltd, claimed his company hired 13 of the 14 Thais initially detained for suspected involvement in the coup attempt. Cambodian authorities released five men after clearing them of all charges.

Denies Joining 'New Rebel Force'

BK3108035794 Bangkok *THE NATION* in English 31 Aug 94 p A9

[Text] Cambodia's rebel Prince Norodom Chakkrapong, who left Thailand for Austria on Monday night, has denied press reports that he had joined a new rebel force headed by a senior Khmer Rouge official.

Chakkrapong's statement denying the report was given to *THE NATION* by a Thai "relative" of the prince minutes before he left on a Finnair flight.

He made a short stopover in Helsinki on his way to Paris, airport officials in Helsinki were quoted by AFP as saying yesterday. The airport officials at first said there was no passenger named Chakkrapong on board. But later they said a man named Norodom had boarded the Paris-bound flight, which took off at 8:50 am (0550 GMT).

Chakkrapong's statement referred to a news agency report on Friday, quoting Khmer Rouge radio, that he had joined a new group opposed to the Phnom Penh government. It said the group included some former members of non-communist guerrilla groups that were allied to the Khmer Rouge during the 1979-91 Cambodian civil war.

"With regards to the recent news report on 'Khmer Rouge radio' stating my participation with a Khmer Rouge splinter group headed by H.E. [His Excellency] Chan Youran, I, hereby declare that such a report is false," the prince said in the press release dated Aug 27.

"I have not joined, nor do I have any such plans to join, any splinter groups or the Khmer Rouge in the near or distant future."

Prince Chakkrapong described the report as "clandestine political manoeuvring" by the Khmer Rouge and possibly the Cambodian Government.

The new rebel group he was alleged to have joined is headed by Chan Youran, a senior Khmer Rouge official and a member of its self-proclaimed parallel government formed last month shortly after Phnom Penh outlawed the guerrillas.

Khmer Rouge radio, monitored on the Thai-Cambodian border, said the group was formed after a "division" in the parallel government and Chan Youran's departure from it. It gave no details.

The new faction, which was not named, had 2,300 members which the radio described as a "liberation army."

The radio said the group included members of the former royalist guerrilla group and the Khmer People's National Liberation Front (KPNLF). The two small non-communist armies fought alongside the Khmer Rouge against the Vietnamese-backed Phnom Penh government during the Cambodian war.

Chakkrapong was a commander in the royalist guerrilla faction in the 1980s.

The prince, denying any involvement in the abortive coup bid in early July, has been classed persona non grata in Thailand and would have faced the risk of detention if he failed to leave.

Foreign Minister Prasong Sunsiri has said Prince Chakkrapong's presence in Thailand was a sensitive issue that could affect Thai-Cambodian relations.

In his Aug. 27 press statement, the prince criticized the Cambodian government for continuing to persecute him even when he stayed in Thailand.

"Since leaving Phnom Penh last month, I have already resolved to settle down to a quiet life with my family but the Cambodian authorities have instead, sought to banish me from everywhere I go as if I am a fugitive," he said in the press release.

The prince said the Cambodian Government was trying to "tear my family apart."

"All I am asking now, is that I be left alone and permitted to share a simple life with my family. Is this too 'dangerous' a request to ask for?" he said.

Human rights, he said, has been trampled upon in Cambodia by its current government, which arbitrarily accuses anyone of being a member of the Khmer Rouge and detains them without proof.

In an apparent appeal to the Thai Government, the statement said: "I wish to state that I still do believe strongly in my heart that Thailand, like many Asian countries, under the continued guidance and rule of Their Majesties the King and the Queen, is a great nation where human rights and dignity is strongly protected."

"I was forced out of Phnom Penh in July without any proof as to my alleged involvement in the 'coup d'etat' and to go to Malaysia where my family was. Now I am once again compelled to leave Thailand where my wife and child are Thai nationals. Is this the extent of human rights practices of the Cambodian government where

they can indiscriminately destroy a human being's life and that of his family's without just cause?" the statement said.

In a separate press release dated Aug. 28, Prince Chakrapong deplored the press for interfering in his family's privacy when he was staying in Thailand.

The prince said members of the press have kept a close watch on his family members "day and night".

Official Admits Police 'Abuse' Human Rights

BK3008124994 Bangkok *THE NATION* in English 30 Aug 94 p A4

[Text] Torture is carried out in police custody, and there is police abuse of basic human rights, a police department representative confirmed yesterday.

Pol Maj Gen [Police Major General] Darun Sothiphan said: "There is a small proportion of police officers who resort to torturing suspects in their custody. We concede that police work to a certain extent involves violation of human rights. Now the police department has been working on respect for human rights by embodying the concept in its curriculum for noncommissioned officers."

He represented the force at a seminar on Basic Human Rights of Prison Inmates, held yesterday at Parliament House and hosted jointly by the House Justice and Human Rights committee, the Lawyers Council and the Corrections Department.

It was reported at the seminar that a prison inmate is allocated only Bt[baht]28 in educational aid, while a military recruit receives Bt1,100 in scholarship annually. Few inmates complete studies above fourth grade and 99 per cent are illiterate.

A mere 15 doctors are assigned to administer to the health care needs of prisoners nationwide.

***Specialists Discuss Burma, Khmer Rouge Issues**

***Sukhumphan on Prasong 'Narrowness'**

94SE0215A Bangkok *SIAM RAT SAPDA WICHAN* in Thai 31 Jul-6 Aug 94 pp 4,5

[Interview with Chulalongkon University Foreign Relations Specialist Sukhumphan Boriphath; place and date not given]

[Excerpt] [SIAM RAT SAPDA WICHAN] What damage has been caused by Thailand ratifying the Vienna Human Rights Declaration of 1993 and then violating it?

[Sukhumphan] At this point our image is very bad with regard to Cambodia, relations with Burma, prostitution and AIDS. In the short term the damage caused by any one thing is probably small, but a good image is much more valuable than anything else. Therefore I say that

those administering our foreign policy have a very narrow view of the world—their world outlook is very narrow. The government has the obligation of maintaining the country's image.

Thailand's policy with regard to Burma is concerned with one thing and that is to get as much as possible. There is no other objective. That which they call constructive engagement, the building of relations, is not about building anything; it is about making money because Burma has a great deal of water, timber, fish etc. [passage omitted]

[SIAM RAT SAPDA WICHAN] Is there any concrete damage from associating with Burma and even inviting Burma to attend the ASEAN meeting aside from that done to our image?

[Sukhumphan] We must separate these questions. Burma is our neighbor, and therefore we cannot not have relations with them. We must have relations because there are things we must talk about all the time with neighbors. Therefore diplomatic relations are necessary as are trade relations. But this does not mean we have to get as close to them as we are. In a similar fashion you and I might know each other. We might eat together sometimes and do business together. But this does not mean that we must get in bed together. What we are doing now is sleeping with Burma. We are not just trading with Burma; our government is holding talks about starting big projects with Burma. This is government to government cooperation. We invited them to be our guests at a meeting that will include many western countries, and we already know how they feel. Even among the ASEAN countries some are not happy. The Philippines is definitely not happy, and neither is Malaysia, because of the problems with human rights.

Our giving credit to Burma to this extent is like being in bed with them. This has many consequences. Initially our image is hurt. Second, in the long term we could suffer losses because if there are changes in Burma or if our government reaches various agreements with the Burmese Government and then a new government is set up, the new government might claim that the agreements reached were not valid because the old Burmese Government had overturned the elections. This is the damage which might occur.

[SIAM RAT SAPDA WICHAN] With regard to the problem of Thailand and Cambodia others generally charged Thailand with bad behavior, especially with regard to supporting the Khmer Rouge. It would appear that the position of the Foreign Ministry in response is too weak—it just gives interviews to explain the reports day by day. Should we have a policy to take care of such problems?

[Sukhumphan] I think that we have responded fairly strongly. What is important is that we must make the government in Phnom Penh confident that no Thai group is supporting the Khmer Rouge. At the same time

the government in Phnom Penh should understand that when they are not able to take care of the problem of the Khmer Rouge, they should not cast aspersions. We both must understand each other.

[SIAM RAT SAPDA WICHAN] How can we build such confidence?

[Sukhumphan] The best method now would be to open the border for UN observers to see what relations we have there. If we are innocent, we will not be afraid to open this area for international groups to observe. That is the normal thing to do when there is a problem between countries.

[SIAM RAT SAPDA WICHAN] We opened this area once, but the same reports kept coming out.

[Sukhumphan] We must open it continuously and completely.

[SIAM RAT SAPDA WICHAN] Do you believe that there might be some Thai group trading with the Khmer Rouge?

[Sukhumphan] There have been relations between groups of Thai people and the Khmer Rouge for some time. We should not expect that these are relations that started after the Paris agreement. Relations between people are difficult to change especially if these are mutually beneficial relationships. Therefore I am certain that there are still Thai groups that have close relations with the Khmer Rouge.

But I think that the Khmer Rouge would be able to survive and fight on without Thai help because the Phnom Penh government is weak. Why is it weak? It is weak, one, because of internal strife and, two, because of corruption. The corruption in the Phnom Penh government makes the Khmer Rouge seem more honest and makes them more popular. And this corruption means that the government does not have the capabilities and the military power it should. The bookkeepers for the army of the Phnom Penh government are generally frauds. The military forces listed on the books at any one time are not up to the listed strength because of corruption.

[SIAM RAT SAPDA WICHAN] We see that in general Thailand has many problems with regard to its foreign policy towards neighboring countries. One aspect that is criticized is that our foreign policy lacks a broad enough world outlook. How did this problem arise?

[Sukhumphan] I think that those who have worked in the security council tend to be concerned with security and intelligence and tend not to have the breadth of experience to be in touch with changes or to have a broad view of the world. They have generally been involved with security matters. Therefore it is a problem of people who have worked in security and have held a positions in the security council, which is a position of narrow scope and clear responsibilities. The duties in the Foreign Ministry

are broad. Those who work in the Foreign Ministry must have a broader outlook. This is a problem of those who have been on the security council then working for the Foreign Ministry - they may not have a broad enough outlook. [passage omitted]

[SIAM RAT SAPDA WICHAN] Do you think this might be the personal weakness of the present Foreign Minister?

[Sukhumphan] It is his weakness, and it is the result of his experience being unrelated to foreign affairs.

*Khian Wants KR in Government

94SE0215B Bangkok SIAM RAT SAPDA WICHAN in Thai 31 Jul-6 Aug 94 pp 6,7

Interview with Chulalongkon University Political Scientist Khian Thirawat; place and date not given]

[Text] [SIAMRAT SAPDA WICHAN] What do you think of the government's policy toward Burma and in particular toward the big problem with the Khmer Rouge [KR]?

[Khian] The Thai Government cannot be any clearer than it is. I feel that those who make demands are expecting too much because the government has clearly said that it supports the Phnom Penh government, which is the legally elected government. As for the stories that it supports the Khmer Rouge, I say that there is no support either in weapons or anything else. I do not believe anyone thinks that. I would also like to know about any other support of the Khmer Rouge. I do not think there is any.

Before they adopted the law making the Khmer Rouge an illegal group, there were contacts with them. The leader of the Khmer Rouge could visit Bangkok, and he could visit Phnom Penh. He had offices there also. Therefore I do not think it right that Thailand be criticized about this. As for the businessmen who made contact about the right to export lumber, this was a governmental matter not necessarily involving the Khmer Rouge. It involved other Cambodian groups as well. I do not agree with protecting these individual interests because of the forest destruction. I think that even though it benefits Thai people, it should be stopped because here we do not allow people to destroy the forest. But this is a matter for the government, which has the duty of protecting the interests of the people. This is understandable. I am just saying that that is how it was then. It was not wrong according to the principles of international conduct.

After they announced that the Khmer Rouge was an illegal group, the government would have had to make changes. It would have had to make the Khmer Rouge leadership leave or not allowed them to enter the country. Since that time I have not seen any sign of Khmer Rouge leadership in Bangkok.

With regard to other support, we must be careful. I am very firm on this point. If people living on the border are trading across the border the way they did in the time of their ancestors no matter whether it is with Burma or the Khmer Rouge, I feel it is their basic right. The timber companies destroying the forests are another matter. It is not their right to do that. But as for the people living on the border, we must accept that it is their right to make a living as usual. I feel that even now we should leave it alone. I think the Khmer Rouge still controls large areas along the border with Thailand. In some places these areas are next to where people live along the border. I still feel we should protect the interests of those living on the border.

[SIAM RAT SAPDA WICHAN] In any case we have not been able to clear up our image with regard to the Khmer Rouge. Weapons were even seized on the border the last time.

[Khian] With regard to the weapons, it is still not clear where these weapons were going. They explained it but their explanation was very confused. This sort of thing has been going on for some time. It must be cleared up whether there are still weapons left over from the time when the Khmer Rouge and other groups resisting the Phnom Penh government were being supported. In any case this must be dealt with, and whoever is in charge of these weapons must be careful that nothing like that happens again.

[SIAM RAT SAPDA WICHAN] It appears that the cause of the many problems with other countries now, including Burma and Cambodia, and the problem of human rights which has been with us right along are the result of the narrow world outlook of the foreign minister.

[Khian] I would say to those who hold this view that I am happy because when the media are criticizing the government, they show us what the problems are. These are real problems, but I am happy that the government is not doing what those who criticize it say it should. If the government did what they demanded, our country would be ruined. For example some demanded that we send our military in to deal with the Khmer Rouge. We would have been in as much trouble as the Vietnamese who went in to take care of Cambodia like that. It cannot be taken care of like that. As for the other countries making these demands, whether it is the United States or Australia, we should ask whether they would send their own troops to fight the Khmer Rouge. They would not. They were like dogs barking at dry leaves. The problem was far away—just have Thailand deal with it. If they had prevailed upon Thailand to do this, it would have been in trouble. Therefore the criticism that Thailand was subjected to because of its position is contradicted by the satisfactory situation it has with its neighbors. I am happy because there is balance. I share the concerns of those who criticize. I am an academic, and I say it is good that there are these demands. But I have observed the

Khmer Rouge for some time, and this group should be in the government. Otherwise the problem will not be solved.

*** Mekong Unit Head on Security, Budget Demarcation**

94SE0199E Bangkok LAK THAI in Thai 9-15 Jul 94
pp 20, 21

[Excerpts] The Mekong River Operations Unit [MROU] is a very important unit in maintaining sovereignty along the Thai-Lao border and in eliminating the various factors in the struggle to prevent crime and stop the smuggling of weapons and narcotics. Its area of responsibility extends for 850 km, but it lacks sufficient manpower and its equipment is old. [passage omitted]

The enemy infiltrates the border quite often. There are 64 high points, of which only eight belong to Thailand. During the dry season, the river demarcating the border between Thailand and Laos becomes very narrow, and in some places it may dry up completely, leaving the two countries connected by land. This facilitates enemy infiltration.

Captain Sunthon Khotchawattaron, the commander of the MROU, talked with a LAK THAI reporter. [passage omitted]

Even though the actions of the MROU have won over most of the people, there are still some who are unhappy with the activities of the MROU. This includes criminals and influential people who traffic in weapons and narcotics. Everyone must help eliminate these influential people.

The problem about which the MROU is very concerned is weapons and war materials. The equipment that the MROU has been using for a long time, particularly the patrol boats used to pursue the enemy, is now very old, which makes it difficult for the unit to carry out its mission. The MROU has asked the government for help, but so far this has not been discussed. Also, the MROU does not have sufficient manpower. There are many criminals. Those who plan to commit a crime formulate good plans using various methods of deception. In the past, in smuggling weapons into Thailand, they used to conceal the weapons on fishing and cargo boats. Many shipments have been seized but others have gotten through. Some smugglers, for example, have placed weapons in compartments beneath the hull of the boat and pulled the weapons through the water. Large quantities of weapons are smuggled in from Laos. Besides smuggling in weapons and narcotics, people also smuggle sand and sell it in Thailand. The Lao people know all about this, but the Lao Government may not be aware of this.

With respect to security along the border, we can't feel secure even though there is now a bridge across the Mekong River. Not all of the problems have been solved. There has been an increase in smuggling. We lack

communications and intelligence personnel. If we receive correct information, we can send forces immediately to intercept the smugglers. Communications equipment is just as important as boats. We would like to be the hunters rather than the hunted. The criminals use very modern equipment.

As for cooperation with Laos in stopping narcotics smuggling, the commander of the MROU said that the Lao Government is cooperating well. Recently, Laos destroyed a large quantity of marijuana. This shows that Laos understands that marijuana is a drug that can ruin people's lives.

Another problem is the opening of border crossing points. If the government feels that this is important, it should open permanent border points at other places besides Nong Khai, Tha Sadet, and Nakhon Phanom. There should be many such points in order to solve this problem.

As for the old and outdated weapons and equipment, the navy commander-in-chief said that the navy is not ignoring this. He said that the navy would like to replace this equipment today, because the navy is well aware of the important mission of the MROU. The problem is, the navy doesn't have sufficient budget funds. We have to consider what our priorities are. We need many more ships. The mass media and members of parliament have to understand. We hope that the navy's budget will not be cut. The navy has never begged from anyone. But we are doing so now because of the great need. It's better to take preventive measures first rather than to have to solve problems later.

Everyone feels that the situation along the Thai-Lao border is calm, because there haven't been any clashes and relations between the two countries are good. The Friendship Bridge has been completed, which has facilitated movement across the border. But Laos is still taking advantage as the "junior" country. Those who cross into Laos have to pay an entry fee of 350 baht while Lao people coming to Thailand have to pay only 30 baht. Is that right? They are taking advantage of even that. As for border security, Laos still has guerrilla units stationed along the Mekong River. It has not withdrawn them even though Lao military leaders have said that there won't be any more fighting between Thailand and Laos and that Thailand should not have any forces there. Laos fears the MROU. Militarily, neither side trusts the other. The people may be trading with each other, but defending our sovereignty is the duty of the military. The MROU will have to continue carrying out its duties for a long time to come, because no one knows for sure what will happen. The negotiations concerning the Thai-Lao border have not been completed, and the Rom Klao issue is still up in the air.

* Commerce Sources Describe Barter Trade Deals

94SE0199B Bangkok DAILY NEWS in Thai 7 Jul 94 p 9

[Excerpt] A news report released by the Ministry of Commerce stated that with respect to the army's plan to

purchase hand-held radios from Israel for use in military activities at a cost of approximately 900 million baht, this matter must be submitted to the Ministry of Commerce, which will consider whether the seller will have to purchase any goods from Thailand in trade. A cabinet resolution has stipulated that any unit that wants to purchase expensive items must propose a barter trade deal, particularly with countries with which Thailand has a trade deficit. As for purchasing goods from Israel, officials from the Department of Foreign Trade met with army officials, and it was decided to propose that Israel purchase agricultural products such as low-quality rice and cassava pellets from Thailand. Even if Israel does not purchase these items for its own use, it can sell them to a third country. Israel is skilled as a bartering agent. The Ministry of Commerce turned the matter over to the Ministry of Defense for consideration.

"The reason why the Commerce Ministry has proposed that Israel purchase goods from Thailand in the form of a barter deal is that during the first 3 months of this year, Thailand has exported only \$33 million, or approximately 825 million baht, worth of goods to Israel. The main types of goods exported include gemstones, white rice, canned seafood, processed seafood, vehicles and parts, and shoes and pieces. But during the same period, Thailand imported goods worth \$80 million, or approximately 2 billion baht, from Israel. We imported such items as gliders, boats and components, diamonds, electrical equipment and parts, machinery used in industry, chemicals, and crude ore. Thus, Thailand suffered a trade deficit of approximately 1,125 million baht."

Mr. Chaipayot Sasomsap, the deputy minister of commerce, said that officials from the Department of Foreign Trade reported the goods that Thailand has asked England to purchase in trade for Thailand's purchase of training aircraft. However, looking at the value of trade between Thailand and England, Thailand enjoys a trade surplus. These training aircraft do not cost that much. Thus, the Ministry of Commerce has proposed that the Ministry of Defense submit this matter directly to the cabinet for consideration. As for the air force's decision not to purchase six Italian-made G222 transport aircraft valued at 3.4 billion baht, the commerce ministry has not been informed about this.

A report from the Ministry of Commerce stated that the Department of Foreign Trade submitted a list of eight items that England can purchase in trade for the training aircraft. The items include seafood, cassava flour, ceramic and plastic goods, para rubber, skins, shoes, gemstones and jewelry, and computer components. The cost of the aircraft was just submitted on 30 June. However, last year Thailand exported goods worth \$1,190 million, or approximately 29,750 million baht, to England, while importing goods worth only \$1,058 million. Thus, Thailand had a trade surplus of \$131 million, or approximately 3,250 million baht. And during the first 3 months of this year, Thailand's trade surplus with England was approximately 475 million baht. [passage omitted]

Vietnam

Report on President Entering Cambodia Refuted

BK3008152394 Hanoi VNA in English 1511 GMT 30 Aug 94

[Text] Hanoi VNA 30 August—A spokesperson for the Vietnam's foreign minister dismiss as completely groundless a news report published recently in Cambodia on President Le Duc Anh's secret entering into the Kingdom of Cambodia.

The spokesperson said the shameless fabrication was aimed to oppose Vietnam and sabotage the traditional fine neighbourly and friendly relations between Vietnam and Cambodia. This fabrication is even more serious because it hurts the state leader of Cambodia's neighbouring country, the spokesperson pointed out, adding that: 'It is known to everybody that Vietnam has always strictly implemented the Paris agreement on Cambodia and has made big efforts in maintaining and developing the fine friendship with the Kingdom of Cambodia in the principles of respect for each other's independence, sovereignty and non-interference in each other's internal affairs, and equal cooperation for mutual benefit'.

Leaders Concerned Over Cambodian Immigration Law

BK2908162094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 Aug 94

[Text] Upon learning that the National Assembly of the Kingdom of Cambodia is debating on the new Cambodian immigration law, in which various articles have been appraised by public opinion as not in conformity with international laws and practices, and that if the law is implemented it will directly affect the Vietnamese residents living and working peacefully in Cambodia, President Le Duc Anh has just sent a letter to King Norodom Sihanouk.

In his letter, President Le Duc Anh expressed the profound concern of the Vietnamese state and people over the regrettable consequences that may fall upon our Vietnamese residents in Cambodia. The president also expressed the desire to preserve and develop the long-standing friendship, cooperation, and good neighborly relations between Vietnam and Cambodia. He highly appraised the fine sentiments and valuable support extended by the king to the Vietnamese people and the affection shown to the Vietnamese residents who have lived in Cambodia for quite a long time.

In this spirit, President Le Duc Anh earnestly proposed that King Sihanouk, in his august position and great prestige, take necessary measures to prevent regrettable incidents like rounding up, purging and mass expulsion of Vietnam residents in Cambodia, and avoid consequences that run counter to the aspirations of the Vietnamese and Cambodian peoples and of the world community.

Through Foreign Minister Nguyen Manh Cam, the Cambodian ambassador in Hanoi on 26 August conveyed to Prime Minister Vo Van Kiet the two Cambodian prime ministers' views on the immigration law adopted by the Cambodian National Assembly. The two Cambodian prime ministers pointed out that this law applies not only to Vietnamese residents but to all foreign nationals in Cambodia, too. The two Cambodian prime ministers also stressed that this law would be enforced only when an agreement on a mechanism for Vietnamese-Cambodian talks on the problem concerning foreign nationals is established.

In response to the above-mentioned views, Prime Minister Vo Van Kiet sent a letter to the two Cambodian prime ministers on 27 August in which he took into account the views of the two prime ministers and officially proposed that the two countries instruct the specialist-level working group in charge of the problem concerning Vietnamese residents set up in the framework of a Vietnamese-Cambodian joint communique in April 1994 to hold talks as soon as possible before the enforcement of the immigration law so that they may reach an appropriate solution to this issue in keeping with international laws and practices and respond to the interests and aspirations of the two peoples and for the sake of peace, stability, friendship, and cooperation in the region.

Prime Ministers Yi, Vo Hold Talks on Cooperation

SK3008020094 Seoul YONHAP in English 0136 GMT 30 Aug 94

[Text] Hanoi, Vietnam, Aug. 30 (YONHAP)—South Korean Prime Minister Yi Yong-tok met with his Vietnamese counterpart Vo Van Kiet Tuesday [30 August] morning to discuss further promotion of bilateral cooperation.

Asked to bolster Vietnam's economic development, Yi was quoted by members of his entourage as saying, "South Korea will not spare any effort in supporting your country so that Vietnam can have the widest economic cooperation with South Korea in the Asian region."

Yi was quoted as saying that his government will provide Vietnam with 50 million dollars from its Economic Development Cooperation Fund (EDCF) and 9 million dollars in grant-type aid earlier than promised, while studying ways to increase the amount if Hanoi requests Seoul's support for appropriate new projects.

The two premiers also agreed to establish a Joint Committee on Mineral Resources and Energy Cooperation and decided to conclude an agreement on science and technology links this year.

The two nations severed diplomatic ties in 1975 when South Vietnam was communized, then normalized relations again in December 1992.

Kiet told Yi about the scheduled visit late this year of Vietnamese Communist Party General Secretary Do Muoi to South Korea, and Yi verbally conveyed President Kim Yong-sam's invitation to do Muoi.

The premiers discussed the political situation on the Korean peninsula after the death of Kim Il-song as well as the North Korean nuclear problem and Seoul's policy toward Pyongyang. Moreover, Yi asked Vietnam to support South Korea's bid to become a nonpermanent member of the United Nations Security Council.

They also signed a cultural agreement designed to expand exchanges of culture, art, science and sports.

After leaving Vietnam, Yi plans to visit Singapore and Bangladesh before returning on Sept. 5.

Vo Van Kiet Welcomes, Talks With ROK Premier

BK3108010894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Aug 94

[Summary] South Korean Prime Minister Yi Yong-tok and his wife are paying an official visit to Vietnam from 29 to 31 August at the invitation of Prime Minister Vo Van Kiet. Accompanying the South Korean prime minister and his wife are Deputy Foreign Minister Pak Kon-u; South Korean Ambassador to Vietnam Pak No-su; Chief Secretary of the Prime Minister's Office Yi Hung-chu; and directors of departments under the Ministries of Finance, Post and Telegraph, and Trade and Industry.

The official welcoming ceremony was held at the Presidential Palace this morning. At 0830, the motorcade escorting the South Korean prime minister and his entourage arrived at the Presidential Palace where they were greeted by Prime Minister Vo Van Kiet and his wife.

Also on hand to welcome the distinguished South Korean guests were Le Xuan Trinh, minister and chief of the Government Office; Vu Khoan, deputy foreign minister; Le At Hoi, chairman of the Hanoi Municipality people's committee; and many other Vietnamese ministers and deputy ministers.

Afterward, Prime Minister Vo Van Kiet held talks with Prime Minister Yi Yong-tok at the Presidential Palace. He warmly welcomed the South Korean prime minister on his first official friendship visit to Vietnam. The two prime ministers informed each other about the situation in each country and exchanged orientations and measures to further strengthen cooperation.

Prime Minister Vo Van Kiet pointed out Vietnam's perseverance in carrying out its renovation line and foreign policy of independence and sovereignty, and in broadening relations with other countries in the world, with the first priority given to cooperation with Asia-Pacific countries. Prime Minister Vo Van Kiet also

reiterated that Vietnam attaches due importance to broadening cooperation with South Korea for mutual benefit.

Prime Minister Yi Yong-tok welcomed and expressed his admiration for the achievements that Vietnam has scored in the framework of renovation. He also expressed a desire to further strengthen and promote bilateral cooperation.

The two prime ministers expressed satisfaction at the fast and favorable progress in multifaceted cooperation between the two countries, especially following Prime Minister Vo Van Kiet's visit to South Korea in May 1993. They maintained that Vietnam and South Korea share many cultural similarities and that the two countries can complement each other economically. They discussed orientations and practical measures to broaden economic, trade, political, cultural, educational, training, and labor cooperation.

The Vietnamese side welcomed South Korea's aid for infrastructural and social development projects, regarding it as assistance for Vietnam's economic growth and also a favorable condition for South Korean businesses to broaden investment in Vietnam.

The South Korean side regards aid for and cooperation with Vietnam as priority tasks and pledged to give favorable consideration to Vietnam's new requests.

Both sides agreed to sign an agreement on cultural exchanges and initiate talks that will lead to the early signing of other agreements on scientific-technological and navigation cooperation.

In exchanging views on regional and international issues, the Vietnamese and South Korean prime ministers expressed a desire to contribute to the trends of peace, stability, and cooperation for the sake of development in the Asia-Pacific region and other parts of the world on the basis of respect for independence, sovereignty, territorial integrity, non-interference in other countries' internal affairs, and cooperation in the spirit of equality and mutual benefit. The talks took place in an atmosphere of friendship, sincerity, and mutual understanding.

Following the talks, Vietnamese Deputy Foreign Minister Vu Khoan and South Korean counterpart Pak Kon-u signed an agreement on cultural cooperation with the prime ministers witnessing the signing ceremony.

Party, State Leaders Receive ROK Prime Minister

BK3108021394 Hanoi VNA in English 1531 GMT 30 Aug 94

[Text] Hanoi VNA August 30—Party General Secretary Do Muoi and state President Le Duc Anh received here this afternoon, Prime Minister Yi Yong-tok of the Republic of Korea on a current three-day official visit to Vietnam.

The two leaders expressed their satisfaction at the remarkable step forward of the Vietnam-ROK relationship, especially in the fields of economic cooperation and investment for development.

Prime Minister Yi Yong-tok wished that the [word indistinct] between two countries will be further expanded in the interest of the two parties, peace, security cooperation development in [word indistinct] peace and happiness of the people all of the world. Speaking to [word indistinct] party General Secretary Do Muoi said that the two countries share many similarities and still have many possibilities to further expand and promote their cooperation. Vietnam wishes to receive greater support and learn experiences in economic development and modernization of the country from the ROK, especially in the fields of metallurgy, engineering, ship building electronics as well as in cultural, scientific, training and educational fields, he said.

As a country that experienced sacrifices and losses caused by separation in the past, Mr. Muoi stressed, Vietnam desires and wishes that the Korean people soon unite their country and forever enjoy happiness and prosperity. On this occasion, the party chief asked Prime Minister Yi Yong-tok to convey his regards and health wishes to president Kim Yong-sam and the people of the ROK.

On behalf of the ROK Government, Prime Minister Yi Yong-tok invited General Secretary Do Muoi to visit to ROK. The Vietnamese leader accepted the invitation with pleasure.

In his meeting with President Le Duc Anh, Prime Minister Yi Yong-tok expressed his country's wish to cooperate and share experiences with Vietnam in economy, personnel training, and technology transfer so as the two countries can develop together, practically contributing to the maintenance of peace, stability and development in the region.

Speaking to his guest, President Le Duc Anh expressed his sincere thanks to the government and people of ROK for their support and assistance to the Vietnamese people in their present national construction. He said he as confident that the two countries' friendship would continue developing effectively, and permanently in the interests of each nation, for peace, stability and prosperity in the region.

Vice Premier Concludes Visit to Hungary

BK3008070094 Hanoi VNA in English 0630 GMT 30 Aug 94

[Text] Hanoi VNA August 30—A governmental delegation led by Vice Premier Tran Duc Luong paid an official friendship visit to Hungary from August 25-28 at the invitation of the Hungarian Government.

The delegation also included Minister of Light Industry Dang Vu Chu, Vice Foreign Minister Nguyen Dy Nien and other officials.

Vice Premier Tran Duc Luong and his party was received on August 26 by Hungarian Prime Minister Gyula Horn. The Hungarian leader expressed his pleasure at the achievements recorded by the Vietnamese people in the renovation process, which has step by step improved the people's life. He welcomed the delegation's Hungary visit as an important event in the development of the traditional, friendly, cooperative and mutually-benefited relations between the two countries.

The Vietnamese delegation held talks with a delegation of the Hungarian Government led by Mr. Laszlo Bekesi, president of the Economic Council and minister of finance. Vice Premier Luong met with the minister of industry and trade, visited a car factory, and met a number of Hungarian entrepreneurs.

During their talks, the two sides exchanged views and discussed measures aimed at promoting their economic, commercial, financial, scientific and technical relations in conformity with the new situation, particularly in the fields of communication, passenger transport, production of medicines, and processing of farm produce.

The Vietnamese delegation expressed its pleasure at the achievements of Hungarian people in their national construction and development, and their gratitude to the Hungarian people for their valuable support and assistance to the Vietnamese in their national construction and defence.

The two sides agreed that the renewal of activities of the inter-governmental committee for economic, scientific and technological cooperation of the two countries will create favourable conditions for the development of the effective and mutually-benefited cooperation in different fields.

A memorandum of understanding on the talks between the Vietnamese and Hungarian Governments' delegations, an agreement on investment promotion and protection, and an agreement on avoidance of double taxation were signed on this occasion.

Vu Oanh Addresses Mass Mobilization Course

BK2908034294 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Aug 94

[Text] The Mass Mobilization Department [MMD] of the party Central Committee concluded a national training course for mass mobilization cadres from the northern provinces on the morning of 27 August at the Ho Chi Minh National Politics Institute. Comrade Vu Oanh, member of the party Political Bureau and chairman of the Central Council for Public Relations Work, addressed the closing session.

During the 10-day course, the participants studied Marxist-Leninist viewpoints and Ho Chi Minh Thought

regarding mass mobilization work and other practical issues related to this work in the new situation. The MMD plans to hold a course for cadres from the southern provinces on 6 September.

* Land, Border Issues Discussed

942E0083A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese June 94 pp 14-19

[Article by Le Minh Nghia: "Border-Land Issues of the Socialist Republic of Vietnam"]

[Excerpts] Sovereignty and territorial integrity are sacred things for each nation and people. As national territory and borders are two factors closely related to each other like man and his shadow, contemporary international law and international practices have recognized the inviolability of national borders.

UN Resolution No.26/25 of 1970 points out: "Nations have the obligation not to use threats or force to violate existing international borders of another nation (Foot-note 1) (Border lines have been delineated in treaties of international legal value), or as a measure to settle all international disputes, including disputes over territories and other issues concerning borders of nations." [passage omitted]

On Land

There have not yet been borders delineated between Vietnam, Kampuchea, and Laos in treaties signed between two sovereign states; there are only internal borders defined by the colonialist authorities for five countries of French-dominated Indochina.

The border between Vietnam and China, which was delineated in two conventions signed between the French and the Ching dynasty in 1887 and 1895, include borders on land and in the Gulf of Tonkin. These two conventions are of international legal value. The Vietnam-China border was delineated on actual land and planted with 341 landmarks that have basically been existing on actual land. However, it has changed in forms on a number of portions as a result of acts of encroachment on and occupation of land and of cultivation and establishment of residence on the encroached land. Such acts have occurred for nearly a century.

On the Sea

We all know that since times immemorial, man has known how to use the sea to get salt for consumption and part of food products and in the circulation along the coasts of a country, or more broadly, between countries in a region. Two to 3,000 years BC, Crete island, only 8,000-sq km wide, had become a prosperous nation with a glorious civilization, thanks to exploiting the advantageous position of the sea. In the fifth century AD, there had been an Athens sea federation, the center of which

was Delos island, only 3 sq km wide. Thanks to implementing a tax exempt system at an early stage, Delos became a major commercial center in the Mediterranean sea.

To date, two periods of changes of world character have occurred on the sea and oceans.

First period: This period began in the 15th century with major geological discoveries, including the discovery of America by Christopher Columbus. This led to the storm-like expansion of European capitalist countries on various oceans, an expansion that prompted a big-leap forward for the world economy and a formation of a single world market. Portugal, Spain, Holland, England, and France became powerful and prosperous thanks to maximizing the use of the advantageous position of the sea, thus enabling them to invade and occupy many colonies.

Vietnam as a nation knew how to use the sea at an early stage. Until the 18th century, it developed a first-rate maritime navigation sector in Southeast Asia. However, because of its failure to catch up with the above changes in the world situation, it was reduced to becoming a colony and a backward country as far as the sea was concerned.

Second period: This period commenced after World War II with a special trait: Faced with new demands of mankind and with the development of science and techniques, especially in the domain of the sea, all of mankind paid attention to the sea.

French professor Yves Lacoste wrote: "Hundreds and thousands years ago, nations had engaged in disputes over land areas, but nowadays states have made efforts to expand to a maximum sovereignty on the sea and oceans. On maps, borders have been drawn through the green color of the sea. Zones under contention have sometimes been extended to thousands of kilometers from shores, even to the Arctic ocean. People have argued with one another over historic rights for a rocky ridge, so small that one can hear the noise of waves slapping on all its four sides."

Long gone was the period when a character of Shakespeare in his play entitled *Tempest* early in 17th century said: "I would trade thousands of miles of sea for only an acre of desolate land." Today, seas and oceans are considered a hope for mankind to solve the question of food, drinking water, raw materials, and energy at a time when world population is increasing incessantly and when natural resources on land are increasingly exhausted. In 1991, an American scholar wrote: "We are at the dawn of a new era: the era of the sea." In 1955, the British Queen ordered the British flag to be planted and a sovereignty headstone erected on Rock All, a 3-sq km rocky ridge some 200 nautical miles from England; and in 1977, she ordered a naval officer to tie a submarine device to Rock All for 40 days before she declared that

one of her subjects lived on Rock All and that Rock All had the right to have an exclusive economic zone.

Japan spent about 220 million dollars on building a project to protect the Okinotorisina rocky ridge only a few square meters wide, off in the Pacific some 1,700 kilometers from Japan.

Up until early in the 20th century, mainland China had not paid attention to the sea. But now this country considers the sea as an escape for the Chinese people to survive and develop and widen their country from 9.6 million sq km to 12.6 million sq km, with the direction of development being the South China Sea, that is the East Sea. In 1950, the People's Republic of China made public the "Province-Zoning Map of the Nation of the People's Republic of China," integrating into Chinese territory three archipelagos on the East Sea: the Paracel Islands, the Spratly Islands, and the East Islands and the Macclesfield reefs, which the Chinese call Middle Islands. The map shows that China's national border line covers about 80 percent of the East Sea, runs close to the shores of Vietnam, the Philippines, and Indonesia, and stretches as far as down to 4 degree latitude close to the Malaysian shores.

To adjust international relations on the sea at a time when the whole of mankind is interested in it, after five years of preparatory work (1957-1962) and nine years of negotiations in 11 meetings (1973-1982) with the participation of 168 countries and territories, the UN Conference on the Sea Law passed a convention on sea laws in November 1982. The convention, which has so far been signed by 159 countries and ratified by 60 countries, will take effect in November 1994. The convention has eliminated two principles which were set forth by the imperialist countries: freedom on the sea and limitation of coastal countries' sovereignty to 3 nautical miles.

The new international convention recognizes the following: Territorial waters can be extended to 12 nautical miles from the basic line in order to calculate the width of territorial waters of a coastal country; the exclusive economic zone of a coastal country can be extended up to 200 nautical miles from the basic line; the continental shelf of a coastal country can be extended to 200 nautical miles to a minimum from the basic line, and in case where a continental shelf is extended to more than 200 nautical miles from the basic line, the continental margin is extended to 350 nautical miles to a maximum from the basic line. Zones (that is, the sea bottom and its underground areas lying beyond the jurisdiction of a country) and their natural resources are the general heritage of mankind under the management of an organ of authority on behalf of all of mankind; land-locked nations have the right to go to and from the sea and to enjoy transition through the territory of a neighboring coastal country.

In light of the above general situation, our country has a series of border and territorial issues to be settled:

1. Vietnam must negotiate the delineation of the borders with Laos and Kampuchea in order to create a firm basis for setting up lasting friendship border lines with these countries.

2. Negotiate and determine the borders of exclusive economic zones and continental shelves with Indonesia, Thailand, and Malaysia. This is because according to the 1982 UN convention on sea laws, each country has the right to have exclusive economic zones and continental shelves extending to 200 nautical miles. However, since the sea distance between our country and these countries is not 400 nautical miles wide, exclusive economic zones and continental shelves of Vietnam and these countries are partially overlapped.

3. Settle with China border and territorial issues including the mainland, the Gulf of Tonkin, and the Paracel and Spratly Islands, and issues arising from the Philippines' and Malaysia's claims for part of the Paracel Islands. The Vietnamese Government's unchanged policy on solving border and territorial issues with the neighboring countries is through negotiations on the basis of respect for each other country's independence, sovereignty, and territorial integrity.

With the Lao People's Republic Democratic:

On 18 July 1987, Vietnam signed with Laos a "treaty defining national borders between the SRV and LPRD." Based on this treaty, the two countries carried out border delineation on actual land and planted national border landmarks from 25 July 1978 until 24 August 1984. Some 202 landmarks were planted on the 2,067 km-long Vietnamese-Lao border line. All the results of this undertaking were recorded in reports and diagrams according to legal procedures and with signatures of the two countries' concerned authorities. Legal documents on the border delineation and erection of landmarks between the two countries were mentioned in a protocol signed on 20 February 1985.

In response to demands of local people, the locations of a number of mountain villages along the border were adjusted at the time of the border delineation and landmark planting, prompting some changes on the border line in the treaty. Therefore, on 20 December 1985, to record and recognize these changes, our country and Laos signed a new treaty to complement the 1977 border delineation treaty. For the first time in the history of thousands of years of their nation, the Vietnamese people signed a treaty with a neighboring country, and the Vietnam-Laos border line has become an international border line marked by a system of standard landmarks.

With Kampuchea:

Through the negotiations with the successive Kampuchean governments since 1960, on 20 July 1983, Vietnam and Kampuchea signed "a treaty on the principle of settling the border issues between the SRV and

the People's Republic of Kampuchea, using as the national border line between the two countries the existing border line shown on the Indochina Geographic Bureau's map on the scale of 1/100,000, which had been in common use before 1954 or during the period closest to 1954." Based on this treaty, the two sides engaged in negotiations and, on 27 December 1985, signed "a treaty delineating the national border between the SRV and the PRK."

According to this treaty, the two sides engaged in border delineation work on actual land and in the planting of national border landmarks. Between 1986 and 1988, some 207 km out of 1,137 km of the border line were planted with landmarks, and in January 1989, both sides temporarily suspended delineation work and landmark planting as proposed by the Kampuchean side.

On the sea, on 7 July 1982 the two governments signed a treaty establishing a historic common water zone for the two countries. They agreed that negotiations will be held at an appropriate time to delineate the border line on the sea between the two countries in this historic water zone; and that a line called Brevie line, which was defined by the Indochina governor general in 1939 to divide police and administrative rights over the gulf islands located between the two countries, will be used to divide islands in this area.

Thus, between Vietnam and Kampuchea there has not yet been a border line on the sea, but each side's sovereignty over islands in the sea area between the two countries has been determined. The border line on land has been delineated on maps, and about one-fifth of border delineation work and landmark planting has been achieved.

We are ready, together with the new Kampuchean Government, to continue solving border and territorial issues between the two countries on the principle of complete equality and respect for each other's independence, sovereignty, and territorial integrity.

With the Republic of Indonesia:

Vietnam and Indonesia have engaged in 13 rounds of negotiations to determine exclusive economic zones and continental shelves between the two countries in an atmosphere of friendship and mutual respect. We believe that two sides have nearly arrived at a final solution, hoping that in a not very distant future, the two sides will sign a treaty on this matter.

With the Republic of Malaysia:

Vietnam and Malaysia have engaged in negotiations and agreed on a temporary solution concerning their overlapping continental shelves, according to which they will

cooperate with each other in the exploitation of these areas while continuing negotiations in order to advance toward officially delineating borders of their continental shelves.

The Vietnamese Government has also agreed in principle with Malaysia and the Philippines that disputes between the three sides over the Paracel islands will be settled through peaceful negotiations.

With Thailand:

Vietnam and Thailand have achieved two rounds of negotiations of specialists on determining borders of exclusive economic zones and continental shelves between the two countries. The two countries have also agreed in principle that while this issue has not yet been settled, the two sides will adopt measures of cooperation to maintain order and security in the overlapping areas.

With the PRC:

Following many rounds of negotiations on the land border between Vietnam and China, the two countries have agreed in principle on the following:

With regard to the land border, the two sides will base themselves on the convention on border delineation signed by France and China on 26 June 1887 and the convention complementing the 1887 convention signed on 20 June 1895 along with the attached documents and maps of border delineation and landmark planting, as well as on national border landmarks planted according to the two conventions, to compare and re-determine the entire land border line between the two countries.

With regard to the border in the Gulf of Tonkin, the two sides have agreed to apply international law of the sea and realistic international references in negotiating and defining the Gulf of Tonkin so as to arrive at a fair solution.

The two sides have also agreed that negotiations will be held to peacefully solve all issues facing the two countries on the East Sea. While holding negotiations, the two sides will not engage in activities that may further complicate the dispute, and they will neither use force nor threaten to use force.

We are resolved to seriously carry out what has been agreed upon and hope that the PRC side does the same in order to contribute to developing friendship and good neighborly relations between the two countries on the basis of the five principles of mutual peaceful coexistence.

Australia

Keating Congratulates PNG's Chan on Election

BK3108051094 Melbourne Radio Australia in English
0100 GMT 31 Aug 94

[Text] Australia's prime minister, Paul Keating, has congratulated Papua New Guinea's [PNG] new leader, Sir Julius Chan, on his election. Mr. Keating said Sir Julius knew Australia very well and is confident the good relations between the two countries will continue.

Sir Julius, who replaces Paias Wingti in the top job, said he will be giving priority to accelerating the peace process on the secessionist island of Bougainville. Sean Dorney reports that the new leader has recommitted himself to flying to Honiara in Solomon Islands this Friday to meet with the military commander of the Bougainville Revolutionary Army.

[Begin recording] [Dorney] Sir Julius' initiative as foreign minister led to last weekend's breakthrough meeting in Honiara between PNG Government officials and the rebel military commander, Sam Kauona. Speaking after being sworn in as prime minister following the parliamentary vote that raised him again to the top job in the country, Sir Julius said peace on Bougainville was vital.

[Chan] Oh, it is very much on top of pile, and there is no turning back. And now that I am in the chair, you know I will be accelerating that process. So I hope I will be seeing the people on Friday and I hope we will be able to conclude the agenda for peace. [end recording]

Evans Welcomes Bougainville Peace Process

LD3108080194 Melbourne Radio Australia in English
0700 GMT 31 Aug 94

[Excerpt] Australia has warmly welcomed the revitalization of the Papua New Guinea-Bougainville peace process and restated its offer of assistance. The foreign minister, Gareth Evans, says Australia is ready to play a supporting role, provided all sides agree on Australian participation. Senator Evans said Australia would provide support for a regional peacekeeping force but would not provide troops.

A joint statement from Papua New Guinea and the Bougainville Revolutionary Army at the weekend said the two sides had agreed on an agenda for peace, including an immediate ceasefire and a peace conference.

Senator Evans says if final agreement is reached it would be music to all ears in the region. The foreign minister told parliament that there seemed to be clear recognition among the negotiators that the primary issue was the restoration of peace on Bougainville. [passage omitted]

Evans: ABC Report on Malaysia Links 'Independent'

LD3008182594 Melbourne Radio Australia in English
1700 GMT 30 Aug 94

[Text] The Australian Government has disassociated itself from a television item on links between the Malaysian Government and private business activities. The foreign minister, Gareth Evans, said the Australian Government had no intention of allowing the media to dictate the agenda for relations with Malaysia. Senator Evans made his comment to parliament following expressions of concern about the program from the Malaysian High Commission in Canberra and Australian businesses. The foreign minister said the item broadcast by the Australian Broadcasting Corporation [ABC] could have an impact on relations with Malaysia.

[Begin Evans recording] This is perhaps however an appropriate occasion to say again that while the ABC is of course funded by the Australian Government it does function as a totally independent organization. The government is not associated in any way with the ABC's decisions on programming policy, including [words indistinct] correspondent's report 23rd August.

The government cannot, nor would we wish to exercise any control over any aspect of the ABC's editorial policy. No connection should be drawn between views expressed editorially on this or any other ABC program and those of the Australian Government. [end recording]

Joint Economic Commission With Iran Concludes

LD3008183394 Tehran IRNA in English 1718 GMT 30 Aug 94

[Text] Sydney, Aug. 30, IRNA—The imbalance in Tehran-Canberra trade relations in the favour of Australia was the most important topic discussed at the sixth joint economic commission of the two countries which concluded here on Tuesday. Iranian Agriculture Minister 'Isa Kalantari headed a 20-man [delegation], while Australian Minister of Trade Bob Mc. Mulian sat at the head of a 60-man team at the session.

Kalantari at the session called on Australian traders to make efforts to balance the trade ties by purchasing Iranian commodities. Australia last year imported goods from Iran just equal to one third of the total value of its exports to the Islamic Republic.

Facilitation of Australia's meat export to Iran was also among topics discussed at the meeting. Mulian underlined Iran's importance in serving as a vital connecting link to the Central Asian republics.

Martin Meets Iran's Kalantari

LD3008203794 Tehran IRNA in English 1944 GMT 30 Aug 94

[Text] Tehran, Aug. 30, IRNA—Agriculture minister Dr 'Isa Kalantari who is in Canberra for the sixth Iran-Australia joint economic commission met Stephen

Martin the speaker of the Australian parliament in Canberra today. Martin said the relations between the two countries has very much developed and Australia is interested in the closer ties with Iran. The Islamic Republic of Iran has a special importance in the Middle East, he added.

Kalantari replied that the Islamic Republic of Iran has attained many of the goals of the first plan. He rejected allegations against Iran such as the one levelled recently by Argentina on the bomb blast in Buenos Aires, and said, "we have been victims of terrorism and the countries which accuse us of being terrorist, unfortunately, have turned into a haven for terrorists."

Kalantari said obviously this will not be the last accusation against Iran and as long as Iran tries to be independent such incriminations by those countries will continue.

Marshall Islands

More U.S. Compensation for Nuclear Tests Sought

BK3108111294 Hong Kong AFP in English 0936 GMT 31 Aug 94

[Text] Majuro, Aug 30 (AP)—The Marshall Islands will seek US congressional support to increase compensation for islanders exposed to radioactive fallout from 67 US nuclear tests at Bikini and Enewetak atolls, Foreign Minister Phillip Muller said here Tuesday.

Muller said the government had sufficient information to trigger provisions in its Compact of Free Association with the United States that allow further compensation under changed circumstances.

He said the island government was preparing to file a brief with the US Congress later this year.

The Marshalls' case would be largely based on several thousand formerly classified documents released over the past three months by the US Department of Energy.

Officials here maintain that the United States hid the contents of the documents when the bilateral compact was negotiated in the late 1970s and early 1980s, preventing islanders from knowing the full extent of nuclear tests damage and making a fair deal impossible under the compact.

"I think we have enough data now but we want to take it slowly and consolidate our information," Muller said. It would be premature, he added, to discuss what amount the Marshalls might claim from the United States.

There is a small but powerful group of US congressmen that has supported the Marshall Islands Government in its efforts to pressure the administration of US President Bill Clinton for further documents and to force the United States to confront its nuclear legacy here.

In the compact, the United States provided a trust of 150 million US dollars that was invested in Wall Street in 1986 to provide income of 18 million dollars annually for a period of 15 years.

The recently declassified papers document one US study known as Project 4.1—described as "a study of human beings exposed to significant gamma and beta radiation due to high yield weapons."

There is a dispute over whether these experiments were conceived before or after a 1954 nuclear test. The first document mentioning the experiments was dated just one week after that test.

The documents "show a clear intent to experiment on these people," Muller said.

Papua New Guinea

Julius Chan Elected New Prime Minister

LD3008071594 Melbourne Radio Australia in English 0700 GMT 30 Aug 94

[Text] Sir Julius Chan has been elected Papua New Guinea's new prime minister. Sir Julius won the vote by 69 votes to 32 from former Speaker Bill Skate, who resigned today and was replaced by Rabbie Namaliu by popular majority.

Sir Julius yesterday resigned as deputy prime minister in the government of acting Prime Minister Paias Wingti and formed a coalition with opposition parties. Mr Wingti withdrew his nomination for the prime ministership late last night. His party late today nominated Mr Skate.

Before the vote and in his first address to parliament, Mr Namaliu, who as speaker should be politically independent, reportedly backed Sir Julius.

Australian Associated Press reports that Mr Namaliu said the coalition led by Sir Julius presented parliament with an opportunity which had not been available for many years. Sir Julius told parliament that management was a quality that has been sorely lacking in the recent past.

Chan Forms Caretaker Cabinet

BK3108072394 Melbourne Radio Australia in English 0500 GMT 31 Aug 94

[Text] Papua New Guinea's [PNG] new prime minister, Sir Julius Chan, has formed a new caretaker cabinet to run the affairs of the country until a full ministry is named.

PNG's National Broadcasting Corporation [NBC] said Sir Julius has named the leader of the Pangu Party, Chris Haiveta, as his deputy. NBC says the caretaker cabinet is expected to be sworn in later today and details of other cabinet members are not yet available.

On being sworn in as prime minister late yesterday, Sir Julius said he would instill discipline in the new government, which he will lead until general elections in 1997. He also said he would use the full force of the law to ensure strict expenditure control in the cash-strapped government.

Chan Takes Ministerial Control of Army

*LD3108095794 Melbourne Radio Australia in English
0900 GMT 31 Aug 94*

[Text] Papua New Guinea's [PNG] new prime minister, Sir Julius Chan, has taken ministerial control of the Army. In making the move he said he would make sure PNG security forces did not spoil initiatives for ending the war against rebels on the island of Bougainville. Sir Julius is planning to take personal charge of negotiations started last week with a rebel delegation led by the military commander of the Bougainville Revolutionary Army, Sam Kaona. Sean Dorney [Port Moresby correspondent] reports that the talks will resume on Friday [2 September] in the Solomon Islands capital, Honiara.

[Dorney] About two weeks ago, the PNG military crossed over the border and launched grenades and fired machineguns at a Solomon Islands village Sam Kaona had just passed through on his way to the talks. This was despite a promise from Sir Julius, who was then foreign minister, of safe passage. Now prime minister, Sir Julius has taken the Defense Ministry too.

[Begin Chan recording] I want to make sure that everybody marches to one tune and I am calling that tune. [end recording]

[Dorney] Sir Julius says peace can only come if he wins the confidence of the rebels.

Bougainville Peace 'Top Priority'

*LD3008213494 Melbourne Radio Australia in English
1900 GMT 30 Aug 94*

[Text] Papua New Guinea's new prime minister, Sir Julius Chan, says he will be giving top priority to accelerating the peace process on the secessionist island of Bougainville. Sean Dorney reports that Sir Julius has recommitted himself to flying to Honiara in Solomon Islands this Friday to meet with the military commander of the Bougainville Revolutionary Army.

[Dorney] Sir Julius' initiatives as foreign minister led to last weekend's breakthrough meeting in Honiara between PNG Government officials and the rebel military commander Sam Kaona. Speaking after being sworn in as prime minister following the parliamentary vote that raised him again to the top job in the country, Sir Julius said peace on Bougainville was vital.

[Begin Chan recording] Oh it's very on top of priority, there's no turning back and now that I'm in the chair you know I will be accelerating the process. So I hope I will be seeing the people on Friday. I hope we will be able to conclude the agenda for peace. [end recording]

Haiveta on Expatriate Consultants

*LD3108085694 Melbourne Radio Australia in English
0800 GMT 31 Aug 94*

[Text] Papua New Guinea's [PNG] interim finance minister and new deputy prime minister, Chris Haiveta, says excessive government spending will be reigned in and reliance on costly expatriate consultants will be scrapped. Mr. Haiveta says he has directed the secretary for finance to tighten spending and terminate the consultants immediately.

Three weeks ago former finance minister Masket Ian-galio warned that PNG was heading for bankruptcy if government spending was not curbed. Papua New Guinea's new prime minister, Sir Julius Chan, says one of his main complaints against the government was the influence of expatriate advisers. He says their advice, which he describes as flawed and cynical, was the main reason for the downfall of acting Prime Minister Paias Wingti.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U. S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.